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THE STATE OF SOUTH CAROLINA
In the Court of Appeals

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SC Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

R. Markley Dennis, Jr., Circuit Court Judge

Case No.: 2012-CP-10-3857 and 2012-CP-10-3858

Appellate Case No.: 2015-001644

Shipwatch Condominium Association, Inc.,.....Appellant,

v.

Carolina Concrete Systems, Inc.; Sisroy Engineering, LLC; Robert G. Sisroy, individually;
Terrence J. McKelvey; Glasgow Roofing, Inc.; GlassTec, Inc.; Spectech, Inc.; Sonneborn, Inc.;
Chimney Sweeps, Inc.; Low Country Chimneys, Inc.; EFCO Corp.; W.C. Johnston Architectural
Sales, Inc.; Charleston Glass Company, Inc.; First Exteriors, LLC; Acrocrete Defendants,

Of Which, Carolina Concrete Systems, Inc.; Sisroy Engineering, LLC; Robert G. Sisroy,
individually; Terrence J. McKelvey; GlassTec, Inc.; Sonneborn, Inc.; EFCO Corp.; W.C.
Johnston Architectural Sales, Inc.; Charleston Glass Company, Inc.; First Exteriors, LLC; BASF
Corp.; Gary Freeman Architect, Inc.; Gary Freeman, individually, are Respondents

Oscar Mendiondo, individually and as representative of a class of similarly situated owners of
condominium units in the horizontal property regime known as Shipwatch Condominiums,
Appellants,

v.

Carolina Concrete Systems, Inc.; Sisroy Engineering, LLC; Robert G. Sisroy, individually;
Terrence J. McKelvey; Glasgow Roofing, Inc.; GlassTec, Inc.; Spectech Inc.; Sonneborn, Inc.;
Chimney Sweeps, Inc.; Low Country Chimneys, Inc.; EFCO Corp.; W.C. Johnston Architectural
Sales, Inc.; Charleston Glass Company, Inc.; First Exteriors, LLC; Acrocrete, Inc.; BASF Corp.;
Gary Freeman Architect, Inc.; Gary Freeman, individually; Defendants,

Of Which, Carolina Concrete Systems, Inc.; Sisroy Engineering, LLC; Robert G. Sisroy,
individually; Terrence J. McKelvey; GlassTec, Inc.; Sonneborn, Inc.; EFCO Corp.; W.C.
Johnston Architectural Sales, Inc.; Charleston Glass Company, Inc.; First Exteriors, LLC; BASF
Corp.; Gary Freeman Architect, Inc.; Gary Freeman, individually, are Respondents

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SHIPWATCH Board of Directors Meeting
April 1, 2005

The April 1st meeting was called to order with all in attendance except Bill Clifton and Rogerie Thompson.

Minutes of the January 14th Board of Directors meeting and the January 15th Annual Homeowners meeting were approved by Terry and seconded by John.

Connie presented 2 Financial Reports, one with Capitals and one without. Insurance premium invoice came on February 14th and was due February 18th. Cost of insurance in conjunction with a higher deductible was found to be negligible because the Regime rarely presents claims. If we did have more claims the cost would go up. Because the premium notice didn't come until 2/14 it was decided it would be harder to do the budget if we changed the fiscal year. We will, therefore, stay with the present 11/01-10/31 fiscal year.

Carrie's costs are higher, however, she said it would level off during this summer.

Eric asked if an Incident Report is started when an "incident" happens at the Regime.

Linda has started to implement this type of report.

Building Maintenance & Repairs are over by \$16,000 mainly due to screen door maintenance that Lester implemented before he left. The company contracted to do the work, in the Board's opinion accomplished nothing. Linda said our policy regarding screens is that the Regime is no longer responsible. Linda paid for the screen work so far, but has told them to leave the premises and has asked Walter to re-screen doors if necessary, making sure everyone has a screen.

A cash flow analysis on the Capital Account will be done and then decide if an assessment or larger Regime fees would be needed.

Coming into April it was decided we needed to put construction issues to a close. Arnie to send a letter to homeowners regarding a cut-off date for construction issues for each unit.

Carl gave his Building Report. Elevators need overhauling badly. We will need to re-tile the floors in porcelain or slate tiles. To re-do the elevators totally would cost approximately \$26,000.

Contractors on site are making a mess of Shipwatch. Carl and Linda would like to propose a \$500 bond for any new interior construction. Carl and Linda will work on this and also "contractor regulations". We will need a Board policy regarding contractor regulations. Audrey asked if a designated area could be set aside for tile cutting, which seems to be the messiest of the construction.

Pool filter needs fixing. \$5,000 is needed to re-plumb the line.

Leaks are still apparent on some sliding glass doors. Carl said he is offering his leaky doors to find a solution to this problem.

Terry offered his landscape report, noting that initial work on the entrances has been done, with more perennial plantings to follow. He indicated installation of up lighting is a priority but since Shipwatch cash flow is tight, that item, plus planting of more perennials will have to wait. The Landscape Master Plan calls for large plantings of perennials instead of annuals, as well as groundcovers to replace so much area now devoted to pine straw that must be continually replaced. The irrigation system is in the process of being checked and dead plants have been. Eric asked that the grass clippings stop being blown on the pine straw and landscaping.

Nothing new to report regarding the legal procedures with Cyclone.

Linda then gave her Managerial Report. Elevators are contracted at different times. D Building is up June 1st, 2005, the others renewed in the fall of 2004 for 5 years. We are looking into a new provider for service. Linda and Thyssen-Krupp will have a meeting Thursday regarding the contract and their responsibilities.

Linda asked several companies to give bids regarding home inspections for plumbing issues for units.

Carroll LeTellier is updating the 20-year plan. Several chimney caps were found loose. There have been several roof leaks due to bad roof drains. This damaged several units, however, has nothing to do with the new roof we've had installed.

Pool steps must be re-plastered. This repair would require the pool to be closed and partially drained at a cost of \$1,200. This is scheduled for April 4th. We are awaiting proposals for Security for this summer.

Linda would like to mark pet areas better and install a post, sign and bags. This was okayed by the Board.

Arnie has categorized systems at Shipwatch with a detailed calendar of when items would need cleaning, repairs or replacement. Linda will make a spread sheet of same.

Arnie started a discussion about a Damage Loss Policy. Over the years it has become evident that losses occurring from one unit to another or even from within one unit have not had a clear avenue for remedy as to costs or who pays for what, nor a chain of command on how to handle such. This policy and the accompanying example will serve the Regime in sorting out and keeping tabs on these items, as none have ever been budgeted for. These costs have found their way mostly into Unscheduled Repairs or Building Maintenance. The Board feels these items need to be itemized and recognized for what they are. A Motion to accept this policy was made by Terry and seconded by Carl. It will take effect April 1, 2005.

The policy shall read:

Damage Loss Accounting

The Shipwatch Board of Directors instructs the Board Treasurer, the Shipwatch Manager, and Bookkeeper to establish a new financial tracking account titled "Damage Loss".

This account will be used for journalizing expenses to the Regime and to individual owners remaining from damages after insurance claims have been settled. At the end of the fiscal year, the Board will review this account and make a decision on whether to assess all owners for the amount in the account.

Also attached to these minutes is an "example" of the procedures to follow if an incident occurs.

Connie suggested the category of Damage Loss Accounting with sub-categories of water damage, and others. Linda would like to see more sub-categories under Building Maintenance to have a better understanding of what items are really cost. Connie said we have many account numbers that have never been used. Connie, Linda and Carrie are to overhaul the categories and sub-categories with accounting numbers.

Audrey has been working on the MD/BL proposed amendments since October 2002, and with the help of Arnie and past President Charlie Rhoden, we will present these amendments to the homeowners in a special meeting tomorrow, April 2, 2005 for voting. It was suggested by Eric, and approved, that several non-Board homeowners certify the vote of the homeowners. It was decided unanimously that the MD/BL be posted on the Shipwatch web site in either its current form, or should the amendments be passed, then the new incorporated version of them. A Motion was made to place final version of the MD/BL on the Shipwatch web site. Made by Terry and seconded by Eric.

Linda had asked during an earlier meeting with Arnie how she was to maintain Shipwatch without employees. Arnie felt we are in need of a maintenance/janitorial type person (even if only in a part-time capacity). This person could be utilized for small things - light bulb changing, door closing problems, extra trash removal, washing deck chairs, small painting projects, etc.

The janitorial service we use now will give us a proposal for extra services. The Board and Linda's responsibility is to keep Shipwatch maintained and kept clean. The Board feels that we need to polish Shipwatch image with better landscaping and cleanliness - better housekeeping all around.

We will start with the janitorial service and then address a maintenance person at the June meeting. Walter has been doing a lot of extra miscellaneous work at a cost of \$28 an hour, and his helpers at \$20 an hour. Eric mentioned that work by another company called Palmetto Maintenance was well done.

Arnie mentioned setting up the audit sheet for a particular person for a week or at least a few days to see how they work out.

Linda asked about air conditioners. She's been called about several A/C's not working. She was told that all calls are to be referred to Resort Maintenance. It was thought that possibly a page be posted for Q & A of problems for the summer rental people - such as:

Q: The A/C is not working.

A: Call Resort Maintenance at

Q: My car has been towed.

A: Call

Q: My light bulb is burned out.

A: Call.....

Connie, Linda, and Carrie will have a meeting explaining the chain of command, her responsibilities, and our expectations. Linda also asked if the Board would agree to have Carrie sign a time sheet - the Board agreed. It was stressed that Carrie know she is responsible and working for Linda primarily.

Terry said he'd like to see a part-time intern. He said he would write up a report for our next meeting. Along with this he would write up a volunteer agenda for our homeowners that would like to help the Board and Shipwatch without being tied to an office for 3 years.

Meeting adjourned at 3:30 PM.

SHIPWATCH Board of Directors Meeting
September 16/17, 2005

Meeting called to order at 1:04 PM, in attendance were Arnie Schaewe, Audrey Lehner, Carl Grisier, Eric Bergstrom, Terry Henderson, David Metts, John Ratliff, Linda Jernigan, Regime Manager, and Jayme Hines, representing homeowner, Hugh Jaeger.

Motion to accept the June 4th, 2005 Board minutes and April 22nd, 2005 Special Meeting minutes were approved. It was noted that the Special Meeting was to approve the changes to the Master Deed and By-Laws, and that it was approved with over 2/3rd of the Homeowners.

In Connie's absence, Linda gave the Financial Report starting with the "A/R Aging Summary" as of 9/14/05. The total states we are \$6,169 in the black. Terry noted that the accounting practices deceive the eye when the amount is noted as a negative number. As such, and because it is hard for most to understand, he asked that on future reports this should be explained with an asterisk (*).

At the end of August we have approximately \$86,000 under budget. Some items under budget were Administrative Expenses, Building Insurance, Travel Expenses, Elevator Maintenance, Water & Sewer. Some items over budget were Board Expenses (due to the TGIF party at the end of construction), Pool Maintenance (a pump), and Electricity. Landscape & Grounds looks higher but that was because pine straw was in the wrong category before and is now added into it. Pest Control is up (ants were extremely prevalent and we also had a big problem with ducks).

Terry asked that homeowners should be made more aware of what exactly their Regime fees cover, such as the pest control, cable TV, water, pool, etc. He would like to work on a Q&A on who takes care of what and packet for homeowners telling them what the Regime fees cover.

Security worked well this summer. There were no major complaints or problems other than that Shipwatch has become the local "hangout" for teens not staying at SW.

Arnie stated that approximately \$45,000 has been spent for "D" building for the drain line roof leak repairs and another \$50,000 more has been spent by owners. 6 units were affected.

Capers Barr, our attorney, entered the meeting at 2 PM. Regarding the D building leak, homeowners have filed with their insurance carriers and have been turned down. Glasgow has insurance for this type of claim. A letter from Capers to Arnie dated 8/30/05 outlines the status with Glasgow and D Building. Capers is currently in the investigation phase. He will follow up with a report when all recommendations come in from Bob Sisenroy and Bob Wiggins.

Capers to check if attorney fees are included in our contract with Glasgow.

Regarding Cyclone - we are still in line with many creditors before us with larger claims.

Building & Grounds report by Carl - Firestone signed off on the roof. Other than D building leak the roof looks very good. There are some leaks around doors on the 5th floor due to sunlight deteriorating the rubber seals and caulking. Carl feels they should be handled in an as needed basis. There are no new doors on the 4th & 5th floor units. 64 doors may need repairing...approximate cost of \$350 per townhouse. Arnie stated we may want to include some amount towards this goal for the next several years.

Problems with standing water in front of elevators on each floor in every building. Carl to talk to Bob Wiggins about this.

Landscape Report by Terry - Greenery doing a good job and he is very satisfied. New landscaping should look to not obstruct views in the future. Terry presented a policy for SW regarding tree trimming, to which the Board agreed. That policy is attached to these minutes and also included in the Policy Book. A long discussion regarding tree trimming and "line of sight" - it was agreed that the Board does not guarantee any homeowner with a "line of sight".

Arnie asked if some annuals were going to be planted for winter color. Many plants died because the irrigation system was off in those areas. The Board wants more color.

Managers Report by Linda included many diverse items. The topic of Golf Carts will be taken up at the January meeting.

Corridors was a big topic, during the rental season they are very unkempt, rusting chairs leach onto our new decks, bicycles, sand and beach toys, rafts, shoes, and the like. It was discussed to corral an area in the under building parking with bins, but because of liability and moving one unsightly mess to just another place, this idea was scrapped. No one wanted the items brought into their rental unit - it was thought the items should be stored in the cars from which they came from. Linda & Terry to work on wording of signs, or process, for corridors and towels on balconies management. The possibility of putting up sticky notes on the offending units was also talked about.

Eric & Terry mentioned the need to tell people the mess in the corridors is a fire code violation. Linda will question other Regimes about what they do. Audrey asked if she could question the CAI about these problems.

The Board has a long discussion regarding people (not SW owners or renters) parking in our lot and using our pool. Also, the city of Isle of Palms placed a garbage receptacle near the gazebo bringing in more debris.

Motion approved a parking/pool attendant for the rental season. Linda will be empowered to put in motion a Program and Rules for the attendant(s) and hiring of same.

All sorts of ideas came up for a pool attendant and how this would be accomplished. A use of a ledger, pool passes, wrist bracelets, and a gate key pad were some of the ideas. It was decided to close of the pool gate closest to the ocean to discourage easy access to the pool from the beach. Eric wants the attendant to enforce the rules of SW be it by voice or sticky notes. The person needs to have this authority to do so.

The gate key pad was thought to be the best idea. Code to be posted inside each unit, changed periodically.

Discussion turned to a Contractor's Policy. It was decided to acquire elevator pads (to place in the elevators so contractors can help protect the elevator cab walls from damage and dirt), and that no construction in units can be done between Memorial Day and Labor Day. Construction trailers must be removed daily and clean up should be done daily of the designated work area.

Motion approved to adopt Contractor Policy as presented and purchase protective elevator pads.

Next came a discussion regarding the Air Conditioner Inspection Contract. There have been several complaints that the inspections are not done as per the contract. The contract will be re-bid. Resort Maintenance price has gone up from \$50 to \$60 per unit, and "as needed" coil cleaning to \$30.

Motion to keep our Air Conditioner Inspection Contract to stay as a budgeted item was approved.

Motion approved, for this Board meeting only, hotel stay for no more than 2 nights and \$130 per night plus tax for directors attending this meeting.

Meeting adjourned at 5:16 PM/ reconvened the next morning and called to order at 9:10 AM.

It was noted that the January Board Meeting will be Friday, January 20th, 2006 and the Annual Homeowners Meeting will be at 11:00 AM on January 21, 2006.

Carrie will come to the office once a week instead of twice, saving about \$3,100.

Linda talked about who can relieve her in case of her absence. We have been using Carrie and/or Walter. Linda to investigate other possibilities and will bring them to the January Board meeting.

Board Travel expenses have been extended to \$5,000 due to high costs of travel expenses. Also noted was that the new Federal guide line for car expense has gone up to 48.5 cents a mile, which will also cause the travel expenses to be higher.

Building Insurance will be budgeted for \$10,000 less to \$150,000. Employee Health Insurance was increased to \$8,000.

Pest Control will also be re-bid for the perimeter of the buildings.

Security - new parking/pool attendant(s) will be budgeted for \$6,500.

Cable - Comcast wants to rewire the buildings at their expense if we are willing to sign an extended contract with them. This may not happen until later in 2006. Comcast doesn't know if the buildings can be rewired, but will research it.

After finishing the 2006 budget items, discussion turned to the probable assessment and what needed to be accomplished. Items to be included in the assessment are: building of cash reserves, pool interior, pool deck, pool equipment, pool furniture, elevator cabs, elevator lobbies, elevator maintenance update, repayment to homeowners in D building, parking lot, paint railings, landscaping, retractable screens, boardwalk repairs, corridor light fixtures, and contingency.

Elevator Sensors will be only needed in building A, B, & D.

Pool Deck is a real problem with mildew in the summer. Power washing the deck is costly and has to be done on almost a weekly basis. Because the deck does not drain properly the mildew will continue. Carl and Arnie to meet with pool person for more info on how to proceed and find out our options to rectify this situation. Stan Standard, a local pool person, was thought to be a good Project Manager. The Board stressed we wanted to make sure we do this correctly.

Landscaping - Eric wants to make sure there is cohesiveness to the Master Plan and the installation of the plantings and other items in the plan. Guarantees on plantings should be at least 1 year. Terry to make sure the architect and landscaper work together and implement the plan properly. Eric and Arnie want a project manager to oversee all the landscape projects. Tree trimming will be done every 2 years, possibly doing it in 2006.

Parking Lot - There was a long discussion revolving around the parking lot. Questions involved drainage, under base, French drains, total re-paving or re-surfacing of the lot. Also, the handling of where the lot and parking areas under the buildings meet. Arnie, Carl and Linda will have a meeting with paving contractor regarding lot re-paving.

Corridor Lights - The building light fixtures on corridors are all nearly broken but are not replaceable. It was decided to replace them with a similar ceramic shell design that is by the doors. Linda to look at pricing.

Retractable Screens – This year \$24,000 was spent on replacing/repairing the older screen doors. Although the Regime, under the new Master Deed/By Laws articles, no longer is responsible for screens, it was a Board decision to make all the living room area doors the same. The homeowners will be responsible for upkeep and maintenance of these screens. Though this item will be an assessment item, homeowners that have already put on these retractable screens will be given a credit towards the living room door only. Most of the master bedroom doors have new sliders/screens.

Boardwalks – Most are buried and walkways tend to lead people onto the dunes which needs to be protected. For A & D building we will block off the entrance to the dunes after the seating area. Prominent signs will be posted.

Pool Furniture – Crescent, the same company that reconditioned the chairs years ago, can strip, re-powder coat, and re-web (strap) chairs for \$40 each. We have Tropitone furniture and replacing this excellent quality furniture would cost over \$40,000. Tables will also be done.

Paint Railings – with all the previous construction the railings need re-painting.

New Regime Fee – there was talk of increasing Regime Fees for not more than \$33 a month.

Audrey asked if the office deck needed repainting or sealing.

In Executive Session it was agreed to give Linda a 4% salary increase coupled with a 1% Christmas Bonus.

There were so many unanswered questions regarding costs, options, procedures, and schedule timing with the parking lot and pool deck it was decided that a more thorough investigation be done and the Board would meet again by phone when we had a better understanding of what our options and costs were. At that time we would discuss the scope of projects, schedule, cost of assessment and timing of payments.

Respectfully Submitted,

Audrey Lehner
Secretary

SHIPWATCH Board of Directors Meeting
March 18, 2006

Meeting called to order at 9:11 am; in attendance were the following: John Ratliff, Connie Foy, Terry Henderson, Arnie Schaewe, Jim McDonough, Fred Trombino, Rogerice Thompson, William Clifton, David Metts, and Linda Jernigan, Regime Manager.

Board President John Ratliff started the meeting with a summary of his thoughts about **Board structure and operations**. A Board of Directors is a representative form of government with each property unit entitled to one vote for its governing body. Pursuant to the Master Deed which sets forth the Shipwatch Regime governing structure and process, the board is elected to serve property owners in the areas of Regime policy making, finances, levy assessment, spending, property upkeep, maintenance and improvement, safety issues and legal issues. The Board has fiduciary accountability to the owners and to other Board members. Each member must exercise due diligence in performing Board duties using individual thoughtfulness, expertise, and experience as demanded. Otherwise, without such individual diligence Board decisions would be made with less than full board participation. Board deliberations are confidential and must be protected, particularly in light of a litigious legal climate. For example, Board discussions regarding settlement of the pending construction claims must be held in confidence lest settlement negotiations be compromised. Because the Board derives its authority from the Master Deed, individual Board members have no authority to speak or act for the Board unless such authority is appropriately delegated in accordance with the by-laws for the convenience of the Board. All decisions are Board decisions and should be Board decisions after full Board discussion and deliberation. The Board is responsible for hiring the Property Manager.

The duly elected President speaks for the Board on Board decisions but has no more authority than any other Board member. The role of the President is as follows: The President facilitates the setting of the Board meeting times and agendas and insures the smooth operation of meetings through a formalized protocol. The President determines if consensus has been reached by the full Board and calls for a vote. The President has no individual decision making authority except in times of emergency, i.e., when an expenditure greater than \$5000 is necessary, and no other option is available including polling the Board. The President facilitates committee assignment.

The Board works through Committees as follows: Committees examine and study problems or issues, meet in person, or by phone or internet to frame and discuss issues or problems, make reasoned recommendations to the Board with considered options outlined. Committees utilize the property manager as a resource.

Upon receipt of Committee recommendations, the full Board deliberates and makes the ultimate decisions.

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The Property Manager is hired by the Board and reports to the Board. The Property manager implements and enforces Board decisions and policies, and provides recommendations and information to the Board and its committees in order to assist the Board in its decision making responsibilities. The Property Manager does not work directly for the owners but for the Regime Board for the benefit of the owners.

After outlining his thoughts on Board structure, the floor was opened for comment. All Board members verbally indicated agreement with the President's thoughts.

Motion was made by Terry and seconded by Jim to approve the previously distributed minutes of the January 21, 2006 Board minutes. The minutes were unanimously approved without amendment.

Terry raised a process question. The landscape project often calls for decisions regarding contracts and obligations which bind the Board such as pricing, plant selection and placement, and detailed landscape design. Terry noted that the landscape architects and contractors will not proceed in many instances with any work without a formal contract with the Board. Terry thought the process should be centralized and standardized giving the President and or his designee the authority to act for the Board. Equally important, Terry also felt the process should go through the Manager because of scheduling and cash flow problems. Although the Board has approved the general project and budgeted money for same, authority has not been designated to any one Board member or members, or to management to make particularized implementation decisions which have contractual and financial implications for the Regime. Terry expressed discomfort in proceeding with landscape implementation without formal Board authorization.

John noted his agreement with Terry that Board authorization and delegation is needed as the Board's errors and omissions insurance policy will not cover individual board member action not authorized by the full Board. John also reiterated the need for the manager's participation. John felt that all contracts needed some form of Board approval.

The Board discussed how detailed the approval need be, to wit, ministerial tasks vs. substantive obligations involving money or material design.

Bill noted that the Board has the authority to make contemporaneous authorizations as well as retroactively approved authorizations.

If the Board felt comfortable authorizing Terry to proceed with implementation of the Landscape plan within budget, then Terry felt comfortable signing for the Board with management cosigning all contracts and checks.

Arnie suggested that since landscape is one item within the overall construction plan and since a general landscape budget has already been approved, that Terry gets specific cost estimates for the categories of work to be performed and submit same to the Board for approval. Arnie indicated that during the implementation of the plan, if Terry's proposed

actual costs were to exceed the estimates that Terry should return to the Board for further approval.

John felt Terry's process question was a procedural problem rather than a budget issue to wit, is Terry authorized or not to bind the Board. John indicated that contract decisions were Board decisions needing Board approval. He indicated that except in cases of emergency, Terry could utilize current technology to submit contract proposals to the full board via email for a Board vote via the internet.

Rogerice asked if Terry needed a resolution in order to proceed.

Bill suggested that a resolution was needed in order to allow Terry to speak for the Board as he went forth in implementing the landscaping plan.

Terry felt that a decision on this particular delegation issue would be helpful for the work of all Board committees.

John indicated that to protect the Board and individual directors, particularly in light of the limits of the Board's professional liability policy, Terry should return to the Board for approval of contracts.

Next agenda item was an update on the legal issues.

Glasgow dispute:

Bill reported that Mediation with Glasgow is scheduled for April 17, 2006. Bill explained mediation. A mediator does not decide the dispute but works with both sides to bring the parties together. A good mediator can often facilitate a resolution of the claim. Bill opined that mediation is superior to trial in that it is voluntary and involves an admission of exposure by both sides and a willingness to attempt resolution of the claim. Trial involves the uncertainty of jury reasoning and class bias. Mediation also saves attorney fees.

John reported that he, Arnie, Bill and Rogerice will represent the Board at mediation. Also present will be Capers and the engineer who provided the Board a professional opinion regarding the proximate cause of the damage.

Capers provided the committee with a mediation packet although Arnie did not receive one. John will provide the entire Board with a copy of the package.

Rogerice indicated that under the contract with Glasgow, litigation is not an option as the contract provides for binding arbitration if mediation is not successful. John noted that if a suit were filed, it would only involve the court enforcing the mediation clause.

Bill estimated that the mediation would take several hours and a decision if one is to be reached, will take place that day.

The selected mediator is a Charleston attorney with construction experience.

Before a discussion of the Board's low end high end position, the Board discussed the essence of SW's dispute with Glasgow.

In summary, on the D building, the contractor allowed a copious amount of tar to enter the drain pipe, pulling it away from the wall and allowing water which is supposed to be diverted outward by the drain pipe, to instead enter the building, thereby causing massive flooding. For 20 years, the pipe properly drained water as it was so designed. Two days after the contractor concluded work, it rained and D building flooded.

The issue is what constitutes proper roofing practices or standards in the industry. The contractor does not have an engineer's report but Glasgow did conduct a laboratory test which purported to replicate the drainage. Not surprisingly, their tar accumulation test did not result in pipe failure or improper flooding, or damage of any sort. Thus, Glasgow interpreted this lab test to mean that the D Building problem was either an initial construction design defect or a building age problem. The Board agreed that it defied credulity to think that pouring 500 degree tar down a 20 year old drain pipe would not result in significant damage. Moreover, because the drain worked properly for 20 years, it obviously worked well for the use for which it was designed. It was also pointed out that D building was the last of the four buildings to be re-roofed so that Glasgow was well aware by then of the building design. The Board concluded that Glasgow was unacceptably obscuring the real issue, to wit, its faulty workmanship.

A discussion ensued regarding the damages suffered by SW. It was noted that the A building also had tar, rocks and foam improperly injected in its pipes causing SW to expend money to have this material removed.

Linda indicated that a letter was sent to Building D homeowner regarding their individual damage claims. Only two owners have thus far responded.

John stressed that the Regime is responsible for building damages in accordance with the Master deed, specifically exterior building and perimeter wall damage. Owners are responsible for interior, non perimeter wall damage plus upgrades and furniture loss.

The estimated total loss from the construction problem is \$92,766.63. Attorney fees for mediation only are approximately \$5,000 to \$7,000. SW has already incurred legal fees for discovery and pre-hearing exchanges and construction fees to Sissenroy and Wiggins for repairs. The contract does not provide for consequential damages such as that for loss of use.

Terry raised the concern that SW has always had problems with contracts. He indicated that SW always signs whatever contract is presented to us without reading it or without knowing the contents. The Board disagreed with Terry and Rogeriee noted the inherent limitations on the Board's negotiating power for certain types of contracts. Glasgow's

contract is a standard Building Construction contract and the fact that it contains deletions and typed-in additions indicates that someone reviewed and negotiated the terms. Arnie said it was the standard AIA (American Institute of Architects) construction contract used industry wide. Terry felt it problematic that all SW contracts are not filed systematically in the SW office. Bill noted that that concern was a different problem and Rogerie disagreed that such was even a problem. Terry queried whether all SW contracts should have provisions mandating mediation/arbitration provisions. Bill observed that in theory, all contracts are negotiable but that disagreeing contractors have considerable walk-away leverage and SW may have few contractor options. Arnie pointed out that the current proposed parking lot paving contract is a standard AIA model two contract without an arbitration/mediation provision and that SW has asked the contractor to include such a provision. The request is still under discussion. All agreed that SW should ask for such a provision in every contract but that such a request will likely result in negotiation, depending on the nature and extent of the work being performed. Everyone also agreed that most parties to a contract wish to avoid expensive litigation.

Jim was called upon to give the **Financial Report**.

Jim distributed a Profit and Loss Budget Performance report and a Profit and Loss Budget Performance report with 'Cap Adds.' Jim indicated that the actual expenditures are tracking nicely with the budget. Jim and Linda see no areas of concern in the operating budget. Some areas are currently overspent but will be recaptured in later months, for example, the insurance expenditure. Jim and Linda feel expenditures are on track.

Connie explained the financial process to the Board. The Manager, the bookkeeper and the CPA have different duties to insure checks and balances. Connie, as past Treasurer still receives all bank statements but said statements will now go to Jim. He will review for irregularity of signatures, endorsements, payees, and amounts. Connie felt this process has worked well and should continue in order to insure that SW funds are protected. Jim will continue the process and make recommendations for change if needed.

Connie noted that Carrie hastily resigned causing disruption to the financial system. Gail has been hired, is doing well, but wishes to work from home rather than the SW office. The Board has been given two other bookkeepers' names who Connie feels are qualified on paper. John suggested that Connie and Linda pursue contact with these two individuals. The Board agreed that SW's checks and financial documents should not leave the office.

Jim moved, seconded by Bill, that the Treasurer's financial reports be accepted. The motion carried unanimously.

The Board returned to its discussion of the Glasgow mediation. Linda has received bills as follows: \$2300 legal bills from Capers, \$2891 from Sissenroy, and \$8500 from

Carolina Concrete which includes the repair cost. This amount brings the \$92,000 to approximately \$106,000.00 including the Wiggins repair.

We have no firm number on the final figure.

John sought a **minimum settlement figure**—the lowest figure for which we would settle. The Board had an extensive discussion of the amounts in issue, repair costs, attorney fees.

Arnie stated that according to Capers, he evaluated our chances of success on the merits at 50%. Rounding off the damages to \$100,000 and calculating the cost of mediation, **Arnie moved and Jim seconded that the low settlement figure be \$50,000.**

John noted that the Insurance carrier and not Glasgow would be paying this claim and that the carrier's litigation costs would probably run between \$10,000 and \$15,000. Thus, the insurer's cost would be the litigation costs plus the exposure.

Bill suggested that when mediating, round figures should never be used because they appear too random. When bottom lines are presented out to the penny, it leaves opponents baffled about how the figure was calculated but convinced that the number is legitimate.

Arnie indicated that the actual number he had in mind was \$47,293 representing the cost SW would have to pay to owners based upon current estimates. Jim asked if Arnie was proposing that we eat the legal fees and repair costs and seek only the cost for monies paid to the owners. Arnie noted that adding on costs for Capers, Sissenroy and Wiggins would bump us over \$50,000. Jim felt that seeking our direct repair costs was a good approach.

Bill reminded all that the discussion was only about bottom line and not what the committee would settle for. John indicated that the actual costs would be \$58,846.

Arnie amended his motion to set as a bottom line figure, \$58, 846.59. Jim seconded the motion.

Arnie indicated that if we did not reach that figure, it would cost \$10,000 to \$15,000 more in mediation costs.

Bill indicated that if we set a bottom line figure, that the committee must be flexible depending on the circumstances of the mediation. For instance, if we are \$3000 apart, do we walk away? Or if the mediator does not agree with our claim, do we remain inflexible. We must consult with legal counsel to determine if we are on solid legal ground and be flexible.

Extensive additional discussion ensued on setting a bottom line figure taking into consideration projected damages to SW and individual owners, costs of mediation and the dynamics of mediation.

Arnie was asked to amend his motion to set \$39,000 as the bottom figure with the understanding that the committee's goal was to settle as close to the top figure as possible

Arnie declined to amend his motion as his mind was set on a low figure of \$45,192.

After further discussion regarding the actual known damages suffered by SW and with strong Board sentiment that the bottom line figure should not be less than 50% of our damages, Arnie amended his motion to set \$48,000 as the low figure with no discretion to the committee to settle for less. Jim seconded the motion.

After further discussion, Arnie withdrew his motion.

After additional discussion, Jim moved \$56,385.50 as the bottom line, seconded by Connie.

The Board reviewed known damage figures as follows: \$92,766.63 spent by SW, \$9,800 attorney fees, \$2,891 fees for Sisnroy, \$8,463 to Carolina Concrete, \$1,000 fee for Sisnroy's attendance at mediation, \$3,000 costs for Board attendance at mediation.

After confusion ensued as to whether a motion was pending, the Chair ruled that no motion was on the table. Based upon the detailed discussion as to actual and projected costs, the chair approximated the total damage figure at \$117,320.63.

Terry moved to set the bottom line figure at \$58,660.31 1/2. Jim seconded the motion.

The Chair called for a roll-call vote.

Arnie raised more concerns about the costs of litigation and our inflexibility at arbitration. Terry expressed a strong philosophical opinion to remain at 50%. Bill indicated the need to be flexible enough with a bottom line to consider any reasonable recommendation of legal counsel. The board discussed that the cost of mediation could exceed our recovery.

Using \$15,000.00 as the approximate cost of binding arbitration Terry amended his motion to set \$43,660.31 1/2 the bottom figure, with no committee discretion to go lower. The amended motion did not garner a second.

A vote was taken on the first motion to set the bottom line at \$58,660.31 1/2. The vote failed by unanimous vote.

Terry moved to set the bottom figure at \$43,660.31 ½. Fred seconded the motion.

The discussion temporarily recessed for the Manager to pull documents.

The Chair gave a report on insurance.

The cost of five million in coverage with our current carrier is \$208,000. By bifurcating the coverage between two carriers, the cost is reduced to \$129,000. SW gets more favorable ratings because of the nature of our concrete structure. Coverage does not include loss from wind driven rain. No such coverage is currently available on the market. Linda pointed out that compared to other regimes, our insurance costs are relatively low. She also queried whether SW is adequately covered at 4.4 million per building. Rogeriee pointed out that the extent of our coverage is unclear based upon the language of the policies. The chair suggested that he and Linda review the policies with our agent before our next board meeting.

The board resumed discussion of the mediation and the pending motion. Adjusting the figure after a reassessment of projected attorney fees, the bottom figure would move to \$52,660.31 ½.

A discussion occurred as to whether the committee should be given complete discretion with an understanding that the committee would consider damages, the board discussion, mediation dynamics, and the advice of counsel.

A roll call vote was taken on the pending motion of \$43, 660.31 ½. Connie, Terry, Jim, Fred, Bill, David, John voted, nay. Arnie voted, yea. The vote failed.

The discussion continued. Terry moved and Jim seconded the figure of \$52,660.31 ½. Further discussion ensued on committee discretion.

A roll call vote was taken. Connie, Arnie, Bill, and Jim voted nay. Terry, Jim, Fred, and David voted yea. The vote failed on a tie vote.

More discussion took place on discretion. **Bill moved and Connie seconded the following motion: The committee be authorized to accept as a minimum \$52,660.31 ½ subject to counsel's recommendation.**

Discussion followed on the motion.

A roll call vote was taken. The motion passed unanimously.

Bill gave a report on the Cyclone Roofing litigation. Our original claim was \$140,000. Bill recapped the previous SW vs. Cyclone April, 2004 mediation which resulted in an agreement of understanding between the parties of a \$107.00 settlement figure. Shortly after the mediation, Cyclone filed for bankruptcy. The matter had been

dormant until Capers received a letter from Cyclones attorney offering to now settle for \$63,962.50. The Board discussed the pros and cons of accepting the offer.

Bill moved and Connie seconded the motion that SW should accept the settlement offer. The motion passed unanimously.

Arnie gave the Building Committee's Report.

The pool should be completed by April 13, 2006. Progress was delayed because of the stone deck delivery. The portabella color we chose which comes from a quarry in Turkey was not available for sixty days. Another stone, caramel walnut noche, is available in the United States in sufficient quantity and has been selected. Arnie noted that any resemblance of the actual stone to the brochure sample is purely coincidental.

Arnie and Linda prepared and distributed a financial sheet for capital projects. Our original cost projection was \$1,160,000.00 and the special assessment was based on this figure. The current scope represents our recent modifications i.e.; the original pool cost was \$84,000.00 and the modification due to the change in skit surface is \$129,346.00 for and increase of \$28,000. Removal of the plaster added \$10,000 and repair of pool leaks cost \$7,295.00. Cost overages are deducted from the contingency budget line. Excess expenses have reduced that figure from \$100,000.00 to \$49,544.00.

Arnie next reported on the elevators. SW's elevator maintenance contract is with ThyssenKrupp (hereafter, TK) and cost \$9,936 per year. It is a five year auto renewing contract and has been auto renewed for 20 years. Cancellation requires a 90 day notice and must be a cancellation *for cause*. Fred, Karl, Linda and Arnie met with an Otis Elevator Co. representative and Otis's contract cost per year is \$13,200, with the same auto renewal and cancellation terms as TK's. Arnie described TK's maintenance contract as more reactionary than preventative though TK has improved subsequent to a meeting with SW management. Elevator stoppages have lessened and no one has been stuck of late but preventative maintenance remains a problem. Otis gave Linda and Arnie an impressive description of their maintenance process as well as their parts replacement and modernization plan.

Arnie proposed to the Board that we attempt to break the TK contract and switch to Otis. The Board discussed Arnie's proposal including issues of proprietary parts that may not be readily available. Establishing a *for cause* termination is difficult since the contract gives TK 30 days to correct any reported problem. John noted that we may have to buy out of the contract if carefully documented complaints would not justify cancellation for cause. SW's financial obligation under the contract is \$40,000. A buyout would factor in that amount plus litigation costs.

Arnie moved that the Board authorize the Building committee to negotiate contract termination with TK. Jim seconded the motion.

Discussion followed on the motion. John asked the legal committee to review the contract and consult with the Building committee.

The motion passed unanimously.

The Board had a general discussion on contract policy. All contracts should be kept in the SW office and all contracts should be reviewed by the Board or Executive Committee. Terry noted that the Board should never enter into a non-negotiated contract or a contract which automatically renews. Bill indicated his agreement in theory but pointed out that SW may not be able to avoid certain contract provisions deemed standard in some industries. John noted that automatic renewals do serve some legitimate purposes but that the Board must stay mindful of expiration dates. Connie suggested that if automatic renewals are unavoidable, that SW attempt to negotiate shorter renewal periods. John indicated that Linda has a list of SW contracts. Renewal dates are to be noted on the list to assist this Board and future Boards with timely review of contracts.

Arnie noted a significant regime financial risk due to leaking sliding glass doors on the fourth and fifth floors--back and front, living room and bed room. Management has been working with Wiggins to test the leakage and 15 doors are problematic. Replacement costs are between \$4000 and \$5000 per door and no money is available for such work. Carl has been attempting to repair with caulking and sealing. Wiggins has caulked 16 doors in A building, 5th floor back and front, and leaking persists. Linda will get bids on new doors. Wiggins proposes removing the old doors, putting a pan beneath and replacing the doors but there is uncertainty as to whether this can be done. Linda will get a bid to do such work. If Carl's less expensive approach is successful, SW will follow that approach.

Arnie made a report on the elevator lobby renovation. He noted the completion of the tile and cab work. All Board members had viewed the test panels containing the glazing work. John raised concerns about the challenge of maintenance vis-à-vis the difficulties of matching the glaze when repairs are needed. Terry noted that the surface would be sealed with a hard coat of polyurethane that would adequately protect the glaze. Further discussion ensued and the Board reached consensus about proceeding with the project.

Arnie and Linda recommended that the paving of the parking lot be postponed until the fall as management did not want the pool and paving contractors on grounds simultaneously. Paving this spring just after pool completion would interfere with the rental season. Rogeriee asked if the price would rise and Arnie suggested the final cost would be based on the fair market value of labor and materials at the time of the undertaking. It was the Board's consensus to postpone the paving until fall.

Terry was asked to give the grounds report. Predicated on a \$217,000.00 budget, Terry sought access to \$90,000 for pre season demolition, relocation, and enlargement of the planter spaces, and relocation of parking spaces; completion of pool landscaping and tree up-lighting and financing of the detail design for completion of the landscaping plan. The balance would be shifted to the fall.

Jim questioned the handicap accessibility issues of all the building because of the placement of the curb stones in the garage areas. Terry and Arnie as committee chairs, will review the issue relative to buildings and grounds planning. Jim also questioned the need to move building D's and not building A's planter box. Terry indicated that aesthetically, it worked for one building but not the other and that it also gave more parking spaces to D.

Arnie moved to make available \$90,000.00 for landscaping. Jim seconded the motion. It was unanimously approved.

Linda gave the management report.

Linda indicated ongoing problems with contractors. Fifteen units are currently under renovation and negligent work is causing damages to other parts of the buildings such as water leaks to other units. All renovation work is to be completed by Memorial Day and Linda anticipated compliance problems with the contractors. Monitoring contractors has taken a disproportionate as well as inappropriate amount of Linda's time. Also, Linda questioned what, if any, work does the Board wish to allow between Memorial Day and November. Linda stated the need for a Board letter to owners with explicit rules regarding renovation. Jim questioned whether contractors should be required to sign contracts with individual home owners which incorporate our policies. John noted that contractors now are required to take out permits with SW before work begins. John has asked Linda to prepare a draft letter for Board feedback with proposed construction rules and regulation including financial sanctions for violations which will be sent to owners before the rental season begins.

John thanked Fred for agreeing to serve on the Wild Dunes Regime Committee. A president of another regime is attempting to organize a regime committee to discuss issues and strategies affecting all Resort Regimes.

John sought permission to send a letter to the two D building owners who have yet to submit a claim for damages resulting from the Glasgow roof damage setting an April 10, 2006 deadline for submission of their claims. Bill suggested the letter indicate that a failure to so submit would constitute a waiver of their right to seek reimbursement.

Bill so moved, seconded by Arnie, and the motion passed unanimously.

Arnie next raised his concerns about multiple partner SW unit ownerships. With the escalating increases in the fair market value of SW units, has come a concomitant increase in the number of multiple partner ownerships. These lesser ownership interests have given rise to a group of persons with seemingly less concern for the maintenance and overall well being of the regime. Arnie gave the example of a 1/13 owner who departed SW leaving a leaking washing machine for the next limited owners to contend with. The real estate agent as well as the insurance company sought Linda's intervention, contrary to the notion that a truly invested owner would not have behaved so

irresponsibly in the first place. Arnie proposed that the legal committee confer with Capers to determine whether large multiple ownership interests violate SW's Master Deed which prohibits time shares or otherwise violate South Carolina law, or if neither, should our Master Deed be amended to bar such multiple ownerships.

John agreed that the nature of one's ownership interest changes the community environment and increases communal costs because of resource overuse and suggested that SW should explore with Capers our legal options when we meet with him next month.

Regarding fees, Linda reported that 7 owners had not paid regular assessments for March and 18 had not paid the March special assessment. John reminded the Board of the late fee and interest policy. All owners paid the January special assessment. Two owners requested that the late fees imposed on their special assessment be waived. After Board discussion of the merits of their requests, Arnie moved and Terry seconded that the fees be waived for the two property owners on a one time basis.

The vote was unanimous.

Terry next proposed that Linda attend some type of professional development training. Rogeriee pointed out that Gloria had attended two special workshops for regime managers. Bill suggested that Linda explore management training opportunities. Linda was previously a member of CSI which has an annual membership fee of approximately \$300. The additional expense of that membership comes from seminar and workshop travel and registration fees. John proposed that Linda make a recommendation to the Board about the issue of her professional development.

After unanimous vote on a motion to adjourn made by John, seconded by Jim the meeting concluded at approximately 1:36 pm.

Respectfully submitted,

Bill Clifton and Rogeriee Thompson

BOARD OF DIRECTORS
MEETING September 12 & 13, 2008

The September 12th meeting was called to order at 1 PM, Regime Office Manager Linda, and all Board members except for Rogeriee/Bill and Clintt were present.

MOTION made by Jim McDonough, seconded by Oscar Mendiando to accept the minutes of June 4th, 2008 with exception of the 4th paragraph to be clarified to read: Terry asked Linda for a change in reporting format for designated and undesignated funds to show a snapshot of financial conditions.

Anne Ossewaarde started the meeting with the Financial Report. Highlights were higher amounts reported for Legal due to the lawsuits and erosion issues; Insurance always billed the following year and not knowing the exact amount, and the buildings need caulking. Major items for the budget are beach re-nourishment, sliding doors replacements and water pump replacement. Terry noted that we will hence forth take out the Insurance in the budget and bill the Homeowners directly for this amount.

The financial report is attached to these minutes. MOTION to accept the Financial Report by Jim; seconded by Oscar.

Fred Trombino gave the Building Report - 13 sliding doors replaced. During a particularly strong storm in August where rain was not only intense but coming in sideways, there was some water intrusion into a few doors. New caulk was found cracked and was replaced and we will wait and see if that was the problem. This is the first time of wind-driven rain where the new doors have leaked.

We have approximately 5,168 sq ft of EFIS remaining on the 4 buildings, which represents 30.4% of the cladding that needs to be replaced at a cost of \$1.7 million.

The painting of the balcony railings/spindles have been on the budget several times and have been under-estimated for the cost. We have taken them off the budget in lieu of more important items, such as water pump replacements, beach re-nourishment, etc. If it weren't for people abusing the railings with keys, equipment, their fingers, etc. the paint would last longer. We have covered over the railings with new paint several times with spot painting, and painting over the paint - it has become obvious that the railings/spindles need to be stripped and painted. Epoxy paint is longer wearing and is a good option. The railings themselves are in good condition. We would want to co-ordinate the colors of the deck coating and the railings. The cost of the 4-step process for the railings would be \$132,000 for the ocean and street sides of the buildings. They were painted last about 4 years ago and the painting lasted about 2 years. Fred also would like to find some replacement caps for the spindles of the railings, most of which are missing. If we wanted to do them a building at a time, cost wise it is not efficient as it would cost more each year.

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DEPOSITION
EXHIBIT

JERNIGAN 108

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Fred has noticed that some of the cladding of the buildings is "bubbling", so Linda got touch with Bob Sisnroy (Engineer who has done much work with Shipwatch in the past) for a report that Fred just received. In the report, dated August 23, 2008 (attached), there are several major problems that need to be addressed. First, the flashing was not installed correctly in certain areas in violation of the IBC (International Building Code) and our contract; also there are portions of the exterior cladding that show blistering, cracking and heavy efflorescence due to water intrusion.....these are major problems.

Fred voiced his concern that the amount of money that we spend on major projects such as roofing and the cladding of the buildings, and we find these types of problems now and in the past. Fred proposed that Shipwatch should hire a Project Manager, or an Engineer in that field to oversee the project. We Board Members past and present, nor Linda, have the expertise in these types of projects. With the amount of money spent and lawsuits that follow, it is costing Shipwatch more in the long run.

It is hard for Shipwatch to figure out if the water intrusion was caused by poor roofing, or poor cladding, or both and if we had a Project Manager it would be better. Having a Project Manager will have any project cost more, possibly 10-15% more. That cost sounds a lot, however, in the scheme of things it is well worth it.

Basically, Shipwatch MO is that there is a need to repair or build, estimates are given, we take the cheapest or near cheapest contract, work is done, we pay, we find problems later, we get a report done at more expense, next go to contractor and they say it's not them, we sue at more expense, we go to mediation or arbitration for further frustration, ultimately splitting the costs of fixing the problem. It's a cost of doing business that we must start to hire Project Managers.

Linda has a lot of confidence in Bob Wiggins; and Capers Barr, our attorney, stated that Bob Sisnroy is a well respected Engineer throughout the state of SC. Sisnroy tends to delve into many aspects of whatever he is involved with.

EFIS is still remaining on the 1, 2, 3, 4 floors of the street side and parts of the ocean side of the 1, 2, & 3rd floor. Minimum acceptable for wind pool state policing insurance is 30%. Please see CBC (Commercial Building Consultant's Report of January 31, 2008) for more information. Insurance will charge \$50,000 more per building for EFIS that is more than 30%. The Board intuitively feels that Insurances will, in future years, reduce the percentage of allowable EFIS and raise the costs of insuring these buildings.

It was decided to carry over this Motion for a Project Manager until tomorrow's meeting.

Ground Report by Terry Henderson - Grounds are in good shape. He'd like to do more, however, we have no money to do it. He would like to put in more lighting and ground cover. Most of the plants that were lost this year were transplants.

Legal Report was not given as Bill and Rogerie were not in attendance.

Linda stated that if we insured each building for \$7.6M this year it would cost an additional \$65,000 more in insurance total. We need to have insurance on our buildings that equate to 90% of rebuilding costs (it used to be 80%), to have 100% of insurance. CBC will do an appraisal of Shipwatch for \$1,500. If you underinsure the insurance companies will not pay 100% of a claim - they will use a formula and penalize for the amount of being underinsured (paraphrased). Currently our buildings are insured for \$6.5M.

MOTION made by Jim, seconded by Oscar to hire CBC to do a building appraisal for insurance purposes for the amount of \$1,500.

Discussion turned to does Shipwatch have the right Insurance Broker, Gallagher is the largest in the country and shop all insurance companies, however, we are limited to which insurance companies will insure beach properties. Linda feels comfortable using Gallagher, which we have had since 1990. Another thought was to have a higher deductible for a smaller premium. Linda stated that it usually did not make that much difference unless the deduction was huge. Even if we have concrete in our buildings, EFIS is classified as frame and costs more. To formally "self insure" you would have to put about \$1M in an account for insurance. It was decided that during our next meeting at Shipwatch that Gallagher come to it.

Insurance ^{COSTS} for Ocean Club is over \$1M and SeaScape is at \$500,000.

Insurance renews February 18th, last year we had money in Reserves and then billed HO for the remainder. For 2009 payment, we do not have enough money in Reserves. Lengthy discussion followed how to bill the HO for Insurance and also for fines for late payments. It was decided the bill for Insurance (based on last years total amount) is due January 1st, with the remainder due March 1st. Any insurance payments will carry a 10% late fee per month.

MOTION made by Oscar, seconded by Jim, that Homeowners will be notified of the Insurance amount due based on last years total premium will be due on January 1st, late on January 10th, and penalty fee on or after January 20th; and the remainder Insurance payment due March 1st, late on March 10th, with penalty fee on or after March 20th.

MOTION made by John Cipkala, seconded by Audrey Lehner, all Insurance payments will carry a 10% penalty late fee per month.

Sliding Glass Doors started another long discussion. Sand gets in the tracks and then eats into the rollers and tracks, getting harder to open and shut, breaking rollers and handles. Linda has spent over \$3,000 in the last 2 years replacing these items. One unit she's gone into for the third time for their handle. The Board agreed that the Homeowners should be responsible for maintenance of their sliding doors.

MOTION made by Oscar, seconded by Anne that all Homeowners are responsible for the maintenance of their own sliding glass doors.

Next up was Pest Control callbacks. Even though the schedule is presented to Homeowners a year in advance, more and more times the Pest Control workers cannot gain access to the units. Renters or homeowners will not let them in, when they come back there is a charge to the Regime. It was felt that if a Homeowner unit is not treated because of refused entry, that the Homeowner in question be charged for the return visit.

MOTION made by Jim, seconded by Fred...If Pest Control cannot gain access to a unit on the scheduled day, and a callback is made to this unit, a charge of \$50 will be billed to the Homeowner of the unit.

Up for discussion next was the updated Contractors Policy. New for the upcoming construction period starting 2008, work can begin September 15, 2008, no work on weekends, no work performed the week of Thanksgiving (11/22-11/30), no work to be performed the week of Christmas 12/20-1/05, no work after April 15, 2009. No noise prior to 10 AM or after 5 PM. Also the deposit will increase to \$1,500. A fine of \$200 per day for working beyond these dates was agreed to by the Board at the June meeting. Owners who manage their own remodel project they are required to follow the same policies as a General Contractor, however, in addition they must not sell or rent for 2 years after the remodel according to state law. An Owners Acknowledgement must be signed and attached to the City building permit. Several changes to the Contractors Policy consisted of stronger language to protect Regime common property.

MOTION made by Oscar, seconded by Anne to accept the new Contractors Policy.

Next came the Building Inspections. All units were inspected for plumbing issues and replacements of hoses for toilets and washing machines. The inspections and replacements have been a great success as we have had fewer leaks than ever before in this year. Added to the Building Inspections is a check of the sliding glass doors. The Regime will pay \$25 per unit for these inspections; any repairs needed will be forwarded to the Homeowner and repairs at the Homeowners expense.

MOTION made by Jim, seconded by Oscar, to do the same Building Inspections as last year, and also include the sliding glass doors to the inspections. Homeowners will be told of the repairs needed and repairs made at the Homeowners expense.

Oceanside cleaning of the building was not done last year. The cost to do so is \$8,200 because the difficulty of moving furniture, and cleaning inside all the patio areas, including the patio doors. They will have to be cleaned in order to do the deck recoating. It was decided to wait on this project.

Summer Security/Pool Monitoring this summer was pretty orderly except for the 4th of July - which is always the a bad time, and proved to be the worst this summer. Many complaints and angry people. A truck (a HO) was even parked in front of the garbage area and the garbage truck could not get in to empty our garbage for that week. With occupancy high, we only have 2 cars per unit (and not if everybody is here), also people are coming with more than 2 vehicles. There is nowhere to park their cars if there are no spaces at Shipwatch. Towing will be enforced at Shipwatch. There are only 157 spaces for 104 units. This topic has been ongoing for several years with no answer in sight. Fred came up with issuing a pass just for the 4th of July weekend, to be hung from your rearview mirror to get in the gate (only 2 per unit). We would have a person placed at the entrance(s) and not let anyone in without the pass. Terry asked if they could park up near DWD, but that could not be promised. Three day 24-hour coverage for the 4th of July would be approximately \$2,000. Board even mulled over using a boot for vehicles wrongly parked on Shipwatch property, including a hefty fine.

Other condos have a guard at their gate, we have a roving guard. Some condos have a pool monitor and a guard at the gate. If we block on entrance, we have to get the Fire Marshall to agree. As one employee (Linda) she can call the tow company, however, by the time the tow company comes, the vehicle leaves and Linda has to pay a fee for a false alarm. Terry asked Linda to think of something that will make it work for her and the Regime.

D219 new bay window is leaking, however, they just put in new window treatments that were drilled into the bay windows - the leak caused damage into the downstairs unit (D219) bay window header. Costs will be passed on to D219 after the bay window is taken out and inspected.

The owner of A206 notified the Board that if his unit is not up to code (after a recent remodel in A205 that opened up the wall between the bathroom and unit A206) that he will have it repaired during the remodeling season, and will call on Linda for inspections.

Terry asked for a committee to review the Master Deed and newer drafted Master Deeds of other Regimes. Oscar volunteered to be on the committee. Ours is 24 years old and was written in the best interests of the builder; it should be updated to be in the best interests of the Regime.

Meeting adjourned September 12th, 2008 at 3:50 PM and the Board did a "field trip" around the complex for a tour of our buildings.

Respectfully submitted,

Audrey Lehner

BOARD OF DIRECTORS
MEETING September 13, 2008

Meeting called to order at 9:10 AM, Linda and all Board Members present except for Rogeriee/Bill and Clintt.

Linda presented what the Regime has spent since November 2007. Terry, with the economic situation has asked Linda to be as lean as we could with the operating budget. Some items have come under, such as water. However, the renters have been off and it's possible that is why there is less water and elevators being used less.

Caulking should be done every other year. With the harsh beach weather the caulk does not last as long, it cracks and moves away from the buildings. Audrey has an EFIS house and knows there is a special caulk to be used on EFIS, she will research the name for it. brought. (Later she sent this information to Linda and the Board members. The caulk was DOW 790.)

The Board went through the budget line by line and then a second time to see where we can save money, or if money would be better spent elsewhere in the budget. Postage was higher this year because we sent out more communications to the Homeowners regarding Insurance and Beach re-nourishment project. Linda would like to be able to have regular time off from the Regime, she works 24/7 on call. The Homeowners was a little more expensive than in years before. Board Expenses also was over because of the increase in cost of travel. Cable TV may increase as well (possibly 5%), as did Pest Control and Pool Maintenance, though less in 2008, will increase in 2009 due to chemicals. Items that were less than expected in 2008 were Building Maintenance/Repair (which is hard to plan for), and the Building Inspections Program. Elevators Maintenance was up slightly due to new phones installed and other not ordinary repairs.

A brief discussion regarding Cable and what we can do to save. Several ideas were thrown into the discussion, but all failed to help with the situation we have.

Linda was looking into using a salt system instead of chemicals, but could not find anyone in the Charleston area that does it commercially. She will research it again.

Linda would like to return to looking into getting an security "arm" at one of the gate entrances to help keep out people that don't belong. She sends rules to all the property managers and rental companies regarding Regime rules - the amount of cars that can come, that the maids cannot use our luggage carts, junk can't accumulate around the front doors, over and over, still it does no good. People will do what they want to do. John and Linda will work on posting rules in the units.

Audrey brought up the non-use of the web page and the money spent on it. The Board hopes that more people will use it. The Homeowners should be told to look at the website instead of calling Linda for information.

Terry would like Linda to avail herself for more CAI meetings, however, they are not close to Charleston and they sometimes are scheduled on days where we have a Board or Annual meeting. Linda said she will try to use it more, possibly 2 meetings a year. The CAI is an organization for Condo Associations. Money was set into the Budget for Educational Training.

A list of items were mentioned that will be needed to be done in the next few years. Listed below are the items and estimates of costs:

1. Sliding glass doors replaced - \$177,600
 2. Railings/spindles repainted - street and ocean side - \$132,000
 3. Garage Lattice Work replaced - \$15,000
 4. Entrance Signs - originally from 1984 - \$ \$25,000
 5. Deck Coating - waterproofed in 2003, to maintain warranty they must be top-coated every 3 years - \$200,000*
 6. EIFS replacement - approximately \$423,060 per building, which can be done in phases (total \$1,800,000)
 7. Contingency at 5% for projects - \$117,230
- Not to mention rebuilding the Capital Reserves.

*The Board previously passed on coating the decks because we needed to have money to do other projects (namely the beach) and let the warranty expire. If the decks are not recoated very soon, they will deteriorate to the point the buildings will again have to be closed and decks completely taken down to the bare floors once again, and at considerable expense. The most expensive part of waterproofing is removing the old coat and preparing the concrete for the new coating, so we need to extend the life of the surface as long as possible. Bob Wiggins of Carolina Concrete says though we maintain our decks very well, we need to topcoat to protect the base coat.

Highly recommended by Linda are points #1, #5, and #6. Linda pointed out that Shipboard Boards have always believed in Special Assessment instead of high Reserve funding. Ocean Club unit owners pay \$650 per month in Regime fees; they have been also paying \$1,388 per month towards beach erosion and will continue paying this amount through December so there will be a total of \$750,000 in Capital Reserve; Seascape would like to keep a Reserve of \$500,000, they spent their Reserve on sand issues and they may have to borrow money from the bank; Summerhouse have a 20 year plan and they decide what they will do, add a 10% contingency and then build that amount into their budget.

A long discussion about the cost of what is needed and how to divide it in upcoming years. The Board realizes that the items that Linda listed as "highly recommended" were items that either were "on-going" or have been held back from years previous.

Item #6 is extremely expensive, but will also cost us more in years to come with much higher Insurance premiums, if they will insure us at all, but also we still would need to replace the EIFS. The Board does not think there's a problem with the EIFS, however, the Insurance companies, especially the wind driven rain portion does.

Our Capital Reserve for many years has been \$300,000 minimum and it is becoming increasingly evident that this amount needs to be closer to \$500,000. The beach re-nourishment project (\$246,500) has almost depleted the Capital Reserve and we have to get that amount back through an assessment, and assess the projects we elect to do in 2009. At the moment we will stay with the \$300,000, but possibly as soon as the

next scheduled budget meeting, that amount will need to fluctuate upwards. Fred mentioned that we only assess for what we need at the moment, and nothing more. The 20-year projects list is getting outdated as projects have come up sooner, or of a different scope altogether. Boards have used the 20-year list as a guide, but have never "banked" the monies for these projects.

Previous Boards have never "budgeted" at the September meetings a set figure for the Manager's salary. Instead, they have met after the budget meeting and then decided on an increase and/or bonus, if any. The Board then discussed how to make the process easier, possibly taking an arbitrary 3% increase in the salary and then deciding at the next September meeting if that is the percentage to use for an increase. This is being done with no promise to the manager of that increase amount.

The Board spent considerable time talking about the Capital Reserve and Cash Reserve, and balancing the Operating Budget. Terry had hoped that the Transaction Fee (that we were a year or two late in implementing) would have helped boost the Capital Reserve. Anne mentioned that the Transaction Fee category should be taken off the Operating Budget and put in the Capital Reserve directly. After some discussion, it was decided to keep the Transaction Fee category, and to add a Category called "Carry Forward" to move the Fee and any other amounts into the Capital Reserve with Category #26 Capital Budget Contribution.

Out of the 276 sliding glass doors (which has been an ongoing project for many years) we have replaced 85. The cost is very high, over \$10,000 per door as they are not stock doors and must be custom made - the cost is for taking off the old door, replacing and shim the door to fit, plus caulking.

A long 2-hour discussion about which projects we will do, and the possibility of doing them all and instead of doing an assessment the Regime would go to a bank for a loan. If EIFS would be replaced in stages, the 4 & 5 floor ocean-side and 5th floor street side should be considered first because of their direct exposure at a cost of \$365,000. 1st through 3rd floors were done when the roof was put on. The driving force is to keep the structural intent of the buildings. In the end, it was decided to replace the Capital Reserve Fund, the doors (15), EIFS (first stage), deck coating,

contingency, and Project Manager (Engineer). Bringing the assessment to approximately \$1M. Bids will need to be received to firm up the estimates. Once again we will delay the painting of the railings. Most likely there will be another assessment next year, and we are conservatively assessing this year considering the projects listed.

Linda noted that when we opened up EIFS before there were problems and we may find that again when opening up new areas of EIFS, meaning the cost may be more than expected.

The Board also decided on how to spread out the assessment to make it easier for the Homeowners. There will be no increase in monthly Regime fees.

MOTION made by Oscar, seconded by Jim to accept the Operating Budget and assessment for 2009, passed.

Brought up again was the Master Deed and coming more familiar with it, to be able to change it to benefit the Regime. All Board members should know the MD and BL. Terry suggested that we spend some time researching MD's that are out there and be more familiar with ours. Terry, Oscar and Audrey are on the committee. Linda will send samples to the committee.

The Board members that will retire in January are Bill/Rogeriee (2nd term), Jim and Fred (1st terms). Annual Homeowners Meeting will be January 17, 2009 at 11 AM.

Meeting adjourned at 4:00 PM

Respectfully submitted:

Audrey Lehner
Secretary

WATER INTRUSION AT SLIDING GLASS DOORS
Shipwatch

Prepared for:
Linda Jernigan, General Manager

Prepared by:
Robert G. Sisnroy, P.E.

July 10, 2006

SISNROY ENGINEERING L.L.C.

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JERNIGAN

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PL 0822

3/09/2007

BUILDING REPORT

1) Renovation Inspections

Carl and I inspected the 17 units that were undergoing remodeling. The visual inspections took 2 ½ hours and the written reports took an additional hour.

Based on that experience, I created an inspection check list, a standardized form for the written report, and a suggested fee schedule. The fee schedule would incorporate the inspector's compensation and Shipwatch's administrative cost. There is also a separate cleaning fee (Linda had recommended, I thought was a great idea) which will be charged on a monthly or part of basis.

All of the concrete violations caused by the contractors have been resolved. There were no other violations noted.

Questions – discussion of fee schedule

Offer inspection position to Chris Weiner

2) Security Cameras

We contacted 2 local companies to give us an education and an estimate. Currently we're looking at cameras for inside the elevators cabs, the elevator lobbies, the outside parking areas incorporating the 2 entrances to Shipwatch, and the pool area. Security Net on Mount Pleasant had stopped by to give us an estimate last week, and they have informed us that they are unable to handle a project of this size. We have received an estimate from Wholesale Industrial Electronics, located Downtown. Their

DEPOSITION
EXHIBIT

JERNIGAN 96

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⑤

proposal recommends a wireless system utilizing 13 cameras. The office would be equipped with a recording device and a screen capable of viewing past recordings and the ability to monitor live activity.

Cost of this project is \$46,484.00 / \$450.00 per unit.

3) Sliding Glass Doors

It has been well known by passed boards that there has been a leakage problem with a good number of sliding glass doors. The regime has put forth a concerted effort over the years to remedy this problem by caulking. This has not worked in many cases. There are 16 doors that need to be replaced as soon as possible. We are currently researching door manufacturers. Arnie has suggested Efco Doors. This company supplied the last group of doors installed at Shipwatch, and he seems to be very satisfied. I recommend that once a price for the doors, installation and concrete work has been agreed upon by the board, a replacement schedule be implemented and work begin in the fall. Eventually the remaining 80 doors will have to be replaced and this expense should be addressed at the budget meeting.

Estimated cost to replace 16 doors @ 7,500 each = \$120,000.00

4) Water Pressure Pumps

Our pressure pumping systems are definitely aging. The metal support stands that the units rest on are severely rusted. On a positive note, Carl had spoke to the manufacture and said that replacement parts are available. We will continue to research for a replacement system and inform the board of our findings.

PL008536

**Sisnroy**
Engineering

P.O. BOX 12806
CHARLESTON, S.C. 29422
PHONE (843) 795-0450
FAX (843) 795-0307

January 7, 2004

Memorandum
2002-50

TO: Shipwatch Horizontal Property Regime, Charlie Rhoden c/o Lester Griffin
FROM: Bob Sisnroy
SUBJECT: Results of Meeting and Visual Survey December 30, 2003
DATE: January 6, 2004
COPY TO: Glasgow Roofing
Carolina Concrete Systems

On December 20, 2003 a limited visual survey of the ongoing roof replacement and Durock exterior cladding system was performed. This was conducted in conjunction with a meeting between Carl Grisie, Lester Griffin and myself. The purpose of this memorandum is to summarize the results of the site visit.

- I. During the site visit, a limited visual survey of the roof replacement was performed. Based on the survey, the following items must be addressed.
 1. Chimney caps on both C Building and D Building are not adequately fastened as addressed in the letter signature dated December 5, 2003. As delineated in the letter, it was agreed that 3/8 inch stainless steel lag bolts would be installed. Currently, there is poorly installed thin shank screws which is unsatisfactory.
 2. Mira dry sticky back roof water barrier is not weather lapped at the party wall/roof intersection on the fifth floor street side roofs. This was discussed with Glasgow Roofing on October 31, 2003. It was indicated that this would be properly weather lapped right away. Although this may be accomplished in the course of the panel installation, I received no confirmation this would be accomplished.
 3. Heavily trimmed chimney caps at the parapet wall intersection must be counter flashed at the parapet wall end.
 4. All corner chimney inboard corners must be fully counter flashed at the roof/wall intersection.

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5. Chimney caps trimmed to accommodate chimney counter flashing must be repaired with additional counterflashing down to the parapet cap.

II. A limited visual survey of the Durock exterior cladding system installation was accomplished during the site. Based on the visual survey, the following items must be addressed.

1. Heavy mold was observed on the inner wall dry wall on the right side wall elevation looking from the street. It was agreed with Dave Hill that the area of mold contamination would be cleaned in accordance with proper protocol. It was also agreed that numerous damaged metal studs would be sistered with new studs.
2. Observations of the side elevation bay window units revealed the sill flashing currently is of inadequate length. Therefore, the Durock terminations at the wall corner intersections are exposed allowing an avenue for water intrusion. Also, the flashing offset is now improper for a sound engineered sealant joint at the sill. Therefore, it is recommended that the flashing be replaced with proper new flashing properly integrated at the wall. However, it was agreed that a site meeting and evaluation would be performed with the window installer and Carolina Concrete Systems to determine if a possible alternative was acceptable.
3. Partial wall installation integrating the Durock system with existing EIFS at the end corner walls was discussed. It was agreed that the typical wall section from the corner to the sliding glass door frame would be fully replaced with the Durock system.
4. Damage to the Seal-O-Flex stair tower roof was evident due to the edge flashing being pushed up to accommodate installation of the Durock board. It was agreed that heavy seal tape would be installed on the membrane tears to make a waterproof condition until the stairwell membrane roofing is replaced.
5. No evidence of kickouts at the sloped party wall terminations was observed. It will be necessary for kickouts to be installed.
6. Wall/deck corner intersections must have engineered sealant joints as a minimum.

III. Progress on the roof replacement is as follows.

1. Building C top mansard is approximately 2/3 complete. All remaining roof surfaces have panels installed.

2. Building D roof demolition is still required at the lower mansard roof on both ends of the building, the elevator tower and one stairwell. Roofing panels have been installed on the ocean side roof.

IV. General

1. It should be noted that approval for payment of requested job progress draws will not be provided if outstanding deficiencies exist. It is the responsibility of the respective contractors to ensure that deficiencies due not exist.

Robert G. Sisroy
Robert G. Sisroy 1/7/04

CCS 1931

SISNROY ENGINEERING L.L.C.

P. O. Box 12806
Charleston, South Carolina 29422
(843) 795-0450
(843) 795-0307 Fax

July 10, 2006
2006-078

Linda Jernigan, General Manager
Shipwatch Horizontal Property Regime
7600 Palmetto Drive
Isle of Palms, South Carolina 29451

RE: Water Intrusion at Sliding Glass Doors

Dear Ms. Jernigan,

On June 22, 2006, a visual survey of chronic water intrusion conditions was performed in Building A and Building C. Based on the observations, it is evident that chronic water intrusion is occurring adjacent to the sliding glass door (SGD) installations typically at the south walls. (See Photo 1) The source of the water intrusion is leakage from the SGD frames at the jamb/sill intersection. The chronic water intrusion has heavily deteriorated tack strips and stained carpet along the SGD frames and adjacent wall areas including portions of interior heated walls. (See Photo 1) Moisture measurements revealed active moisture conditions at several locations. Moreover, it is evident that the leakage source is the jamb/sill intersection of the door frames. (See Photo 2 and 3) Observations revealed holes or separations at the jamb/sill corners of the SGD frames where accumulations of rain or dew can drain and enter the interior and contaminate carpet and wall framing. These conditions are evident at SGD installations elevated on 3 inch concrete curbs and SGD installations at the slab surface.

Consequently, as a damage control measure, it is recommended that the existing door frames be removed and reinstalled in a copper sill pan with end dams. This would require full removal of the SGD frame; grouting the existing concrete floor where necessary; and, installing the sill pan and door along with restoration of interior and exterior finishes to walls and floors. Successful water resistance of the repair would necessitate similar repair scenarios on fourteen additional SGD installations.

As mentioned previously, this is only a damage control measure and not a long term repair application. Although the sill pan is a standard of care for typical exterior door installations, there is no guarantee that this will stop the entirety of the leakage, particularly where door sills are level with the adjacent concrete slab and floor. Bob Wiggins is in agreement that the sill pan could provide a temporary solution to the leakage problem. However, the long term solution is to install a new door, in a full sill pan on an elevated concrete curb.

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According to Bob Wiggins, the estimated cost to perform the trial temporary repair is \$3600.00. This would include removal of the existing SGD frame; installation of the sill pan, replacement of the same SGD frame, and limited restoration of the interior and exterior wall and deck finishes and caulking. The temporary repair and estimate evolution is contingent on the structural stability of the existing SGD frame, such that it is sound enough to be removed and replaced. Since the integrity of the existing SGD door frames is questionable, it is recommended that a new SGD door assembly be available for the candidate unit at the time of removal of the existing SGD frame.

The repair protocol and estimate is based on available information and observations at the time of development of this letter. It also assumes the existing SGD is viable for reinstallation. If you have any questions, please call me.

Sincerely,

Robert G. Sisnroy
Robert G. Sisnroy, P.E. 7/14/06

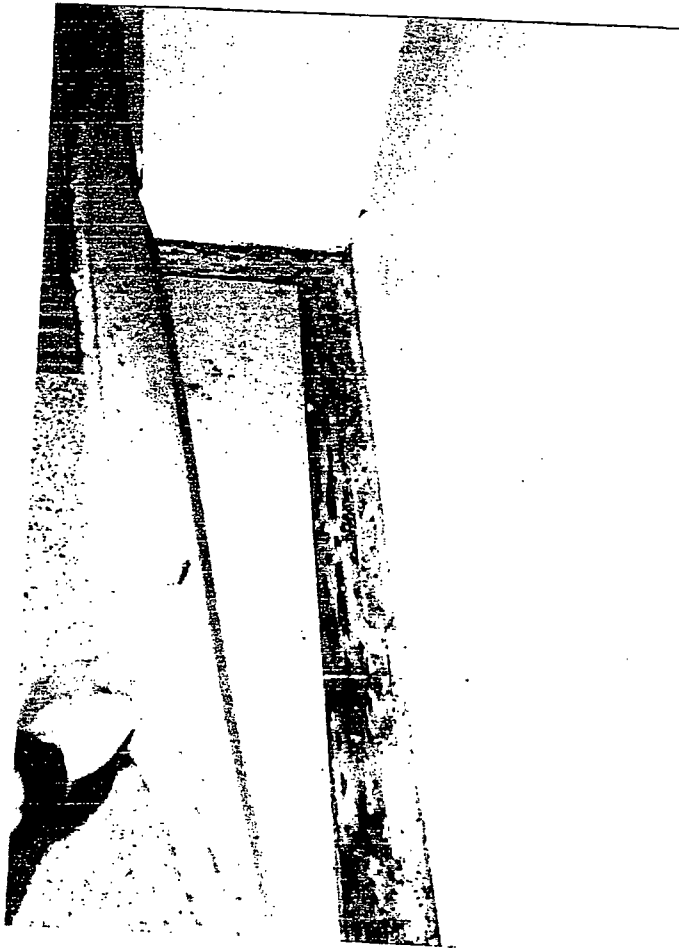


Photo 1: Chronic water intrusion is occurring adjacent to the sliding glass door (SGD) installations typically at the south walls. The chronic water intrusion has heavily deteriorated tack strips and stained carpet along the SGD frames and adjacent wall areas including portions of interior heated walls.

shipwatch

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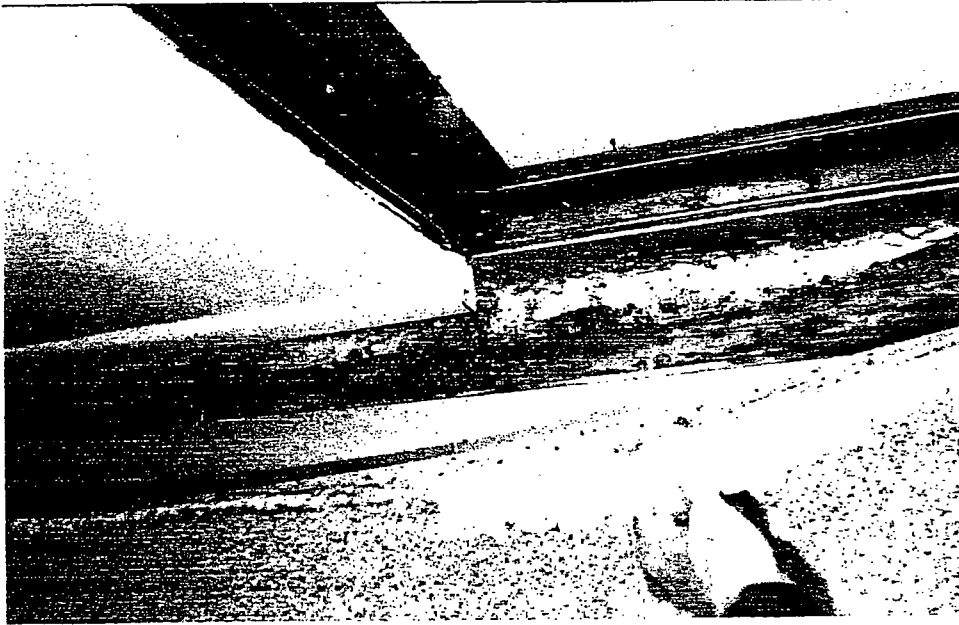


Photo 2: Moisture measurements revealed active moisture conditions at several locations. Moreover, it is evident that the leakage source is the jamb/sill intersection of the door frames.

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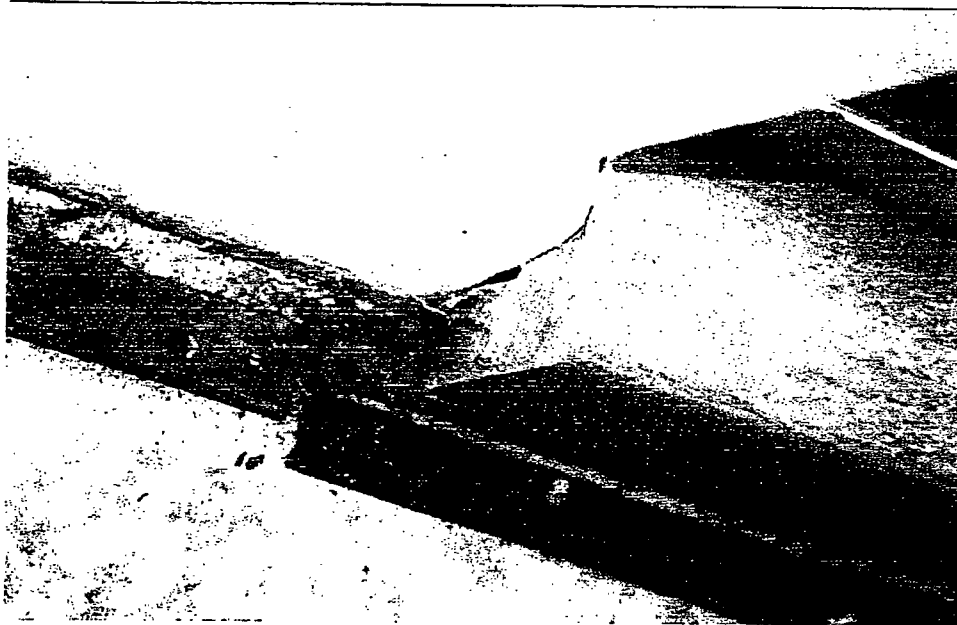


Photo 3: Moisture measurements revealed active moisture conditions at several locations. Moreover, it is evident that the leakage source is the jamb/sill intersection of the door frames.

Shipwatch

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**ROOF FLASHING INSTALLATION DEFICIENCIES AND
EXTERIOR CLADDING FAILURE INVESTIGATION
Shipwatch Condominiums**

Prepared for:
Linda Jernigan, General Manager
Shipwatch Horizontal Property Regime

Prepared by:
Robert G. Sisnroy, P.E.

August 23, 2008

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CCS 1353

SISNROY ENGINEERING LLC
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August 23, 2008
2008-023

Linda Jernigan, General Manager
Shipwatch Horizontal Property Regime
7600 Palmetto Drive
Isle of Palms, South Carolina 29451

RE: Roof Flashing Installation Deficiencies and Exterior Cladding Failure
Investigation
Shipwatch Condominiums

Dear Ms. Jernigan,

As requested, a limited investigation of roof flashing deficiencies and exterior cladding failure has been accomplished. The purpose of the investigation was to determine the extent of flashing deficiencies at the sloped roof terminations at the end walls in Buildings A through D. The purpose was also to determine the extent of failure of the exterior cladding on the buildings particularly at the end walls and balcony end walls and partitions. Lack of proper flashings installed in such a manner to prevent moisture entering the wall through intersections with the roof plane is in violation of the International Building Code (IBC). Additionally, failure of the exterior cladding resulting in conditions allowing water intrusion is in violation of IBC requirements and cladding manufacturer's installation requirements. The following report delineates deficiencies in the respective material installations and provides recommendations for remediation.

DESCRIPTION

Shipwatch Condominium complex consists of four five-story buildings, A through D, with parking under the buildings at grade level. The rear of the buildings face the ocean in a south orientation. Balconies and walkways are at the rear and front of the buildings respectively with stairwells and elevator towers at the front or north face of the buildings. There is a steep hip or mansard metal roof above the third floor elevation at each end of the building where there is a vertical three-story wall. The fifth floor wall terminates above the end metal roof. The exterior cladding is primarily a direct applied exterior finished system (DEFS). This installation is comprised of cement board fastened to stud framing with mesh and polymer based finish on the face of the based coated cement board. The metal roofs and DEFS were part of a remediation project installed concurrently in approximately 2003. (See Photo 1 for representative configurations) It should be noted that consistent with time frame of building construction, the buildings are identified in order of construction, Buildings A & B being built first and Buildings C & D

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last. As a result there are variations in configuration particularly at the roofs above the third floor at the end walls. Buildings A & B were constructed with an inside corner at the termination of the roof. (See Photo 2) Buildings C & D were constructed with a continuous in plane wall at the termination at the roof. (See Photo 3)

BACKGROUND

As part of remediation and repair of the Shipwatch Condominiums, clay tiled roofing was removed and replaced with standing seam metal panel roofing. Concurrent with this, the bulk of the EIFS exterior cladding was replaced with DEFS over the majority of the building exterior. These projects were permitted in February 2003 for metal roofing and November 2003 for DEFS; therefore the applicable building code was the International Building Code (IBC) 2000. At several locations, the DEFS stucco was integrated with the standing seam metal panel roof. Following installation of the DEFS exterior cladding and the standing seam metal roofs, the flat roofs on the primary area of the building were replaced with built up roofing.

OBSERVATIONS

As indicated previously, the limited investigation focused on the metal roof termination conditions at the DEFS clad walls. Additionally, the investigation also focused on the performance of the DEFS at several locations on the buildings. The following items delineate the results of the observations with regard to deficiencies in either the installation of the roofing and flashings or the DEFS exterior cladding installation.

Standing Seam Roof Termination Flashing Deficiencies

- I. Limited observations of all four buildings were performed with regard to the sloped roof terminations at each end of the building. Based on availability and access, some observations were made from a lift and others were performed from the ground level. As mentioned previously, Building A & Building B construction at sloped third floor roof terminations include inside corners requiring the roof to jog from the inside corner to the outside to accomplish drainage at the roof/wall termination as illustrated in photograph 2.
 1. Observations of the third floor roof termination at the east and west ends of Building A revealed that the flashings, which wrap around the corner are overlapped by the DEFS stucco. (See Photo 4) There is no evidence of a kick out or water dam flashing to ensure water does not infiltrate behind stucco surfaces. The existing condition promotes water intrusion behind the stucco in violation of IBC Section 1405.3. This condition is also in violation of IBC Roof Assemblies and Roof Top Structure Section 1503.2 which requires that flashing shall be installed in such a manner as to prevent moisture entering the wall at intersections with the roof plane. Note in photograph 4 that there is no mechanism other than caulk to stop water from running behind the stucco at the vertical flashing/stucco

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interface. A similar condition was observed at the west elevation at the stucco flashing intersection where the stucco overlaps the vertical wall corner flashing with no evidence of a kick out to ensure water intrusion does not occur behind the stucco and contaminate the wall. These conditions are not in accordance with contract requirements. (See Photo 5)

- II. Observations of the sloped roof terminations at the third floor roof of Building B revealed that a fabricated corner flashing was installed wrapping around the corner on the face of the stucco. However, the top of the flashing is simply sealed with caulk with no counter flashing promoting a water intrusion condition. Counter flashing was required by the contract. (See Photo 6) Also note in photograph 7 that no kick out or water dam flashing was installed thus directing water onto the face of the stucco and the control joint below promoting water intrusion conditions in the adjacent wall as described by the Commercial Building Consultant's report of January 31, 2008. The absence of kickout flashing is in violation of original contract requirements.
- III. Observations of the third floor sloped roof terminations at the east and west ends of Building C revealed evidence of kick out flashings at both ends of the building.
 1. Although there was evidence of kick out or water dam flashing at the east end third floor roof termination, observations revealed no evidence of counter flashing to ensure moisture does not enter the system as required by the contract. Observations revealed evidence that the stucco and flashing intersection was heavily caulked which was not the proper configuration to ensure prevention of moisture entering the wall at the flashing joint. (See Photo 8) Water intrusion can occur at the upper portion of the flashing since no counter flashing or overlap of the stucco was observed.
 2. Observations of the west elevation also indicated evidence of a kick out configuration; however, the flashing installation adjacent to the kick out is an improper configuration as illustrated in photograph 9. There is no counter flashing and it appears the flashing is simply an extension of the metal roof vertical panel flashing with heavy amounts of caulk to seal it to the wall. This configuration is not in accordance with contract requirements for kickout flashing and industry standard of care for flashing installations adjacent to stucco. This configuration is not in accordance with Code requirements since the flashing is not installed in such a manner as to prevent moisture entering the wall without massive amounts of caulk at the flashing and stucco interface.
- IV. Observations of the third floor sloped roof terminations at Building D revealed different configurations at each end of the building.
 1. Observations at the east end of the building revealed an improper sloped roof termination configuration such that the standing seam roof/wall flashing was

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overlapped by the stucco at the vertical face with no evidence of a kick out to ensure water intrusion did not occur behind the overlapped stucco. Also note that there was no counter flashing and that the intersection was simply caulked which promotes a water intrusion condition. This configuration is not in accordance with contract requirements that specified counter flashing and kickout flashing. (See Photo 10)

2. Observations of the third floor sloped roof termination at the west end of Building D revealed a different flashing configuration. Observations revealed that the metal panel roof/wall intersection flashing was extended onto the face of the stucco panel. However, the counter flashing terminated prior to termination of the panel roof flashing. (See Photo 11) The extension flashing was then simply sealed to the wall with caulk without counter flashing and kickout flashings thus promoting water intrusion when the caulk fails. Similar to the other installations with the exception of Building C, water is directed to drain onto the face of the stucco and the control joint directly below further promoting water intrusion. The installation and drainage condition is in violation of the contract requirements.

- V. In general, observations revealed that the third floor sloped roof termination flashings on all of the buildings are installed improperly at the roof termination and stucco interface promoting water intrusion in violation of the Code. According to the Commercial Building Consultant's report, there is evidence of water intrusion adjacent to this area at these building locations. Roofing and flashing which is not installed in a manner to prevent moisture from entering the wall is in violation of roofing contract and IBC requirements. However, observations revealed evidence of kick out flashing having been installed at the sloped roof terminations on Building C.

Direct Applied Exterior Finish System (DEFS) Failure

- I. Observations at numerous building locations on several elevations primarily, but not limited to, Buildings A & C revealed evidence of blistering of the DEFS lamina off of the concrete board substrate. Observations indicate that the lamina has failed to bond and has pulled away from the board in the form of a blister in the surface finish. Photograph 12 documents a blister condition in the third floor level at the west end of Building C. Photographs 13 and 14 document blistering at the west end, fourth floor balcony sidewall of Building C. As indicated, currently the observations indicate but are not limited to the blistering condition on Buildings A & C, but predominately on Building C. Further and more detailed observations are required on other building elevations to inventory all the blistering failure conditions. This condition is indicative of DEFS failure not in accordance with warrantee requirements.
- II. Observations of the masonry walls and Portland Cement Plaster Stucco installations at the stair towers on all Shipwatch buildings revealed evidence of

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cracking in the parged plaster stucco installation at Buildings A, C & D. The heaviest cracking was primarily observed at the west stair tower of Building A. Observations revealed heavy efflorescence emanating from cracking under the polymer based finish coat as illustrated in photographs 15 & 16.

1. Observations at Buildings C & D also revealed evidence of efflorescence in the stair towers at both ends of Building C and evidence of cracking in the west stair tower of Building D. Similarly these conditions were based on a limited visual survey and additional cracking may be evident upon closer observation at additional stair tower locations in other buildings.
- III. Observations of the west elevation of Building B revealed evidence of raised joint lines in the field of the wall in the area of the first three floors. The panel lines are evident at ends and edges of the cement board panels. This condition is unsightly and not in accordance with industry standards of care for installation of the DEFS stucco system.

CONCLUSION

Observations revealed evidence of improper installation of flashings at third floor roof/wall intersections such that they are not in accordance with IBC requirements and industry standard of care to prevent moisture from entering the wall. Moreover, the installations are not in accordance with contract requirements for flashing at the third floor roof/wall stucco cladding intersections. According to the report provided by Commercial Building Consultants dated January 31, 2008, there was evidence of water intrusion at each location adjacent to the sloped roof termination flashings at all of the buildings. This condition is also in violation of IBC requirements. Consequently, all flashing installations must be remediated with counter flashing and kick out installations to ensure water intrusion does not occur in the stucco exterior cladding adjacent to the metal roof terminations and wall intersections.

Observations of DEFS and stucco installations at several building locations revealed evidence of failure of the DEFS system as well as failure of the parged stucco on masonry block. Consequently, it will be necessary to repair all failed stucco applications in accordance with manufacturer's installation requirements and warranty requirements.

RECOMMENDED REPAIR

1. As discussed previously, there is evidence of improper installation of all roof termination flashings at the third floor roof terminations at each end of each of Buildings A through D at the metal roof and stucco clad wall intersections. Improperly installed flashings must be remediated to include proper counter flashings and kick out flashings properly integrated with the DEFS stucco system as required by the original contract. All termination flashings must be properly placed with welded kick out configurations similar to the installations at the metal-sloped roof terminations adjacent to chimney chases at the fifth floor level

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on all buildings. Considering the evidence of improper installation resulting in water intrusion, the remediation and proper installation of the sloped roof termination flashing is a warranty issue, which should be accomplished by the metal roofing installation contractor. Proper repair and replacement of the DEFS stucco system will be the responsibility of the stucco contractor.

- II. All areas of failed blistering lamina on the DEFS stucco system must be repaired in accordance with manufacturer's repair requirements. All repaired areas must match adjacent areas in color and contrast following the repair of the failed lamina areas. Currently, areas of failure were observed but not limited to Buildings A & C; however, all buildings must be visually inventoried and observed where necessary to ensure no other lamina failures are occurring. All failures of the DEFS lamina must be fully repaired.
- III. Several areas of cracked, parged stucco on stair towers were observed. Numerous locations are exhibiting efflorescence indicative of water intrusion behind the parged stucco consistent with failure of the stucco system. As a minimum, these conditions are occurring but are not limited to Buildings A, C & D, therefore, all areas of cracked and failed parged stucco must be properly repaired in accordance with manufacturer's installation requirements. As a minimum, cracked and failed parged stucco must be removed and replaced with properly installed plaster stucco with proper finish coat application.
- IV. It is recommended that the panel line condition on the west elevation of Building B be remediated at the time of DEFS repair. Other building end elevations should be observed for similar conditions and repaired as necessary.

This report is based on available information at the time of development of the report. If additional information becomes available which has a bearing on conclusions then an addendum will be provided. Representative photographs are enclosed. Additional photographs on file may document additional improper conditions. If you have any questions concerning this report, please call me.

Sincerely,

Robert G. Sisnroy
Robert G. Sisnroy, P.E. 8/28/08

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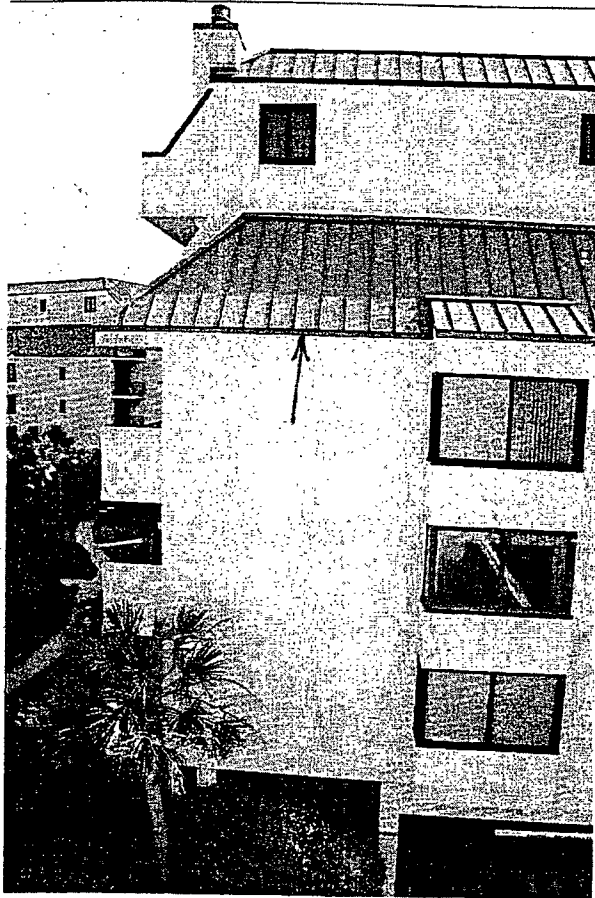


Photo 1: Representative configurations

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CCS 1360

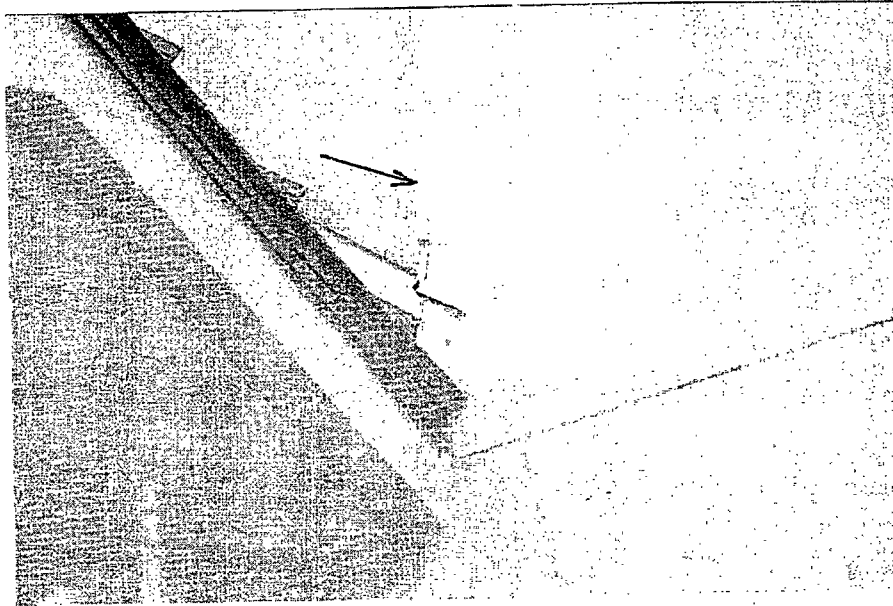


Photo 2: Buildings A & B were constructed with an inside corner at the termination of the roof.

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CCS 1361

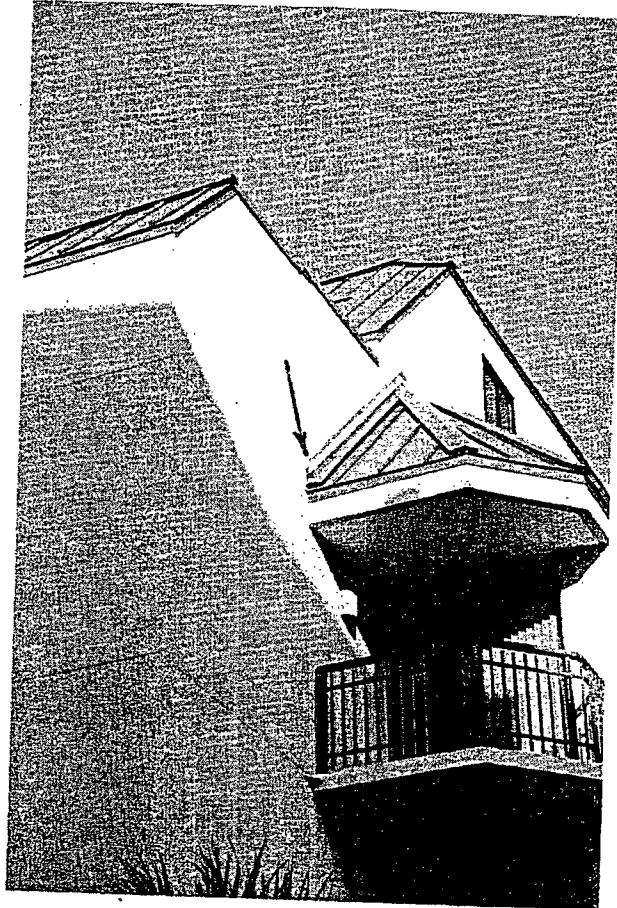


Photo 3: Buildings C & D were constructed with a continuous in plane wall at the termination at the roof.

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CCS 1362

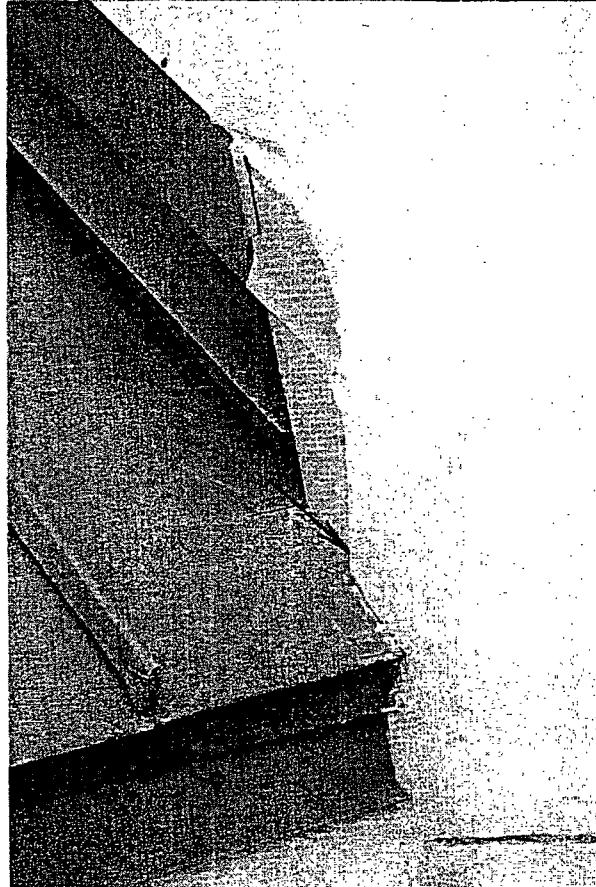


Photo 4: Observations of the third floor roof termination at the east and west ends of Building A revealed that the flashings, which wrap around the corner are overlapped by the DEFS stucco. Note that there is no mechanism other than caulk to stop water from running behind the stucco at the flashing/stucco interface.

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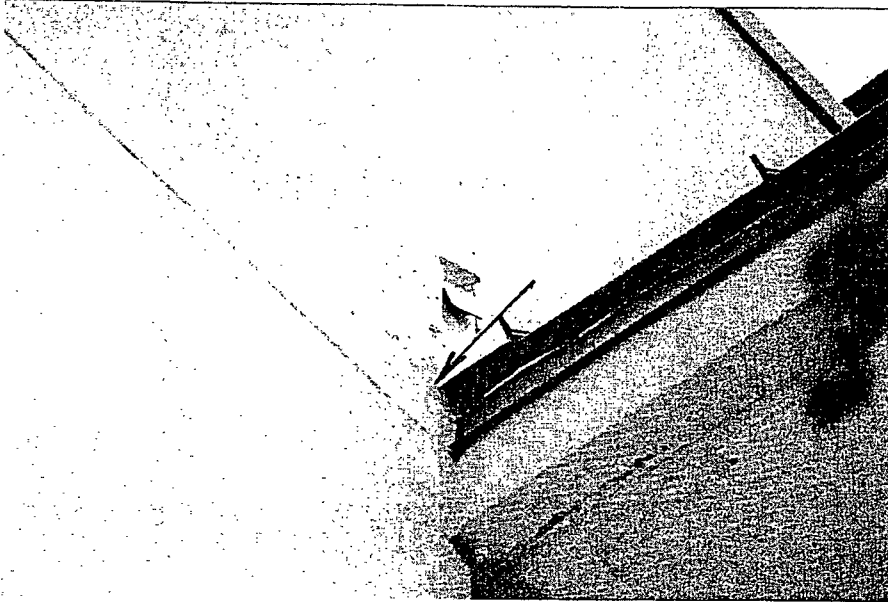


Photo 5: A similar condition was observed at the west elevation at the stucco flashing intersection where the stucco overlaps the vertical wall corner flashing with no evidence of a kick out to ensure water intrusion does not occur behind the stucco and contaminate the wall.

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CCS 1364

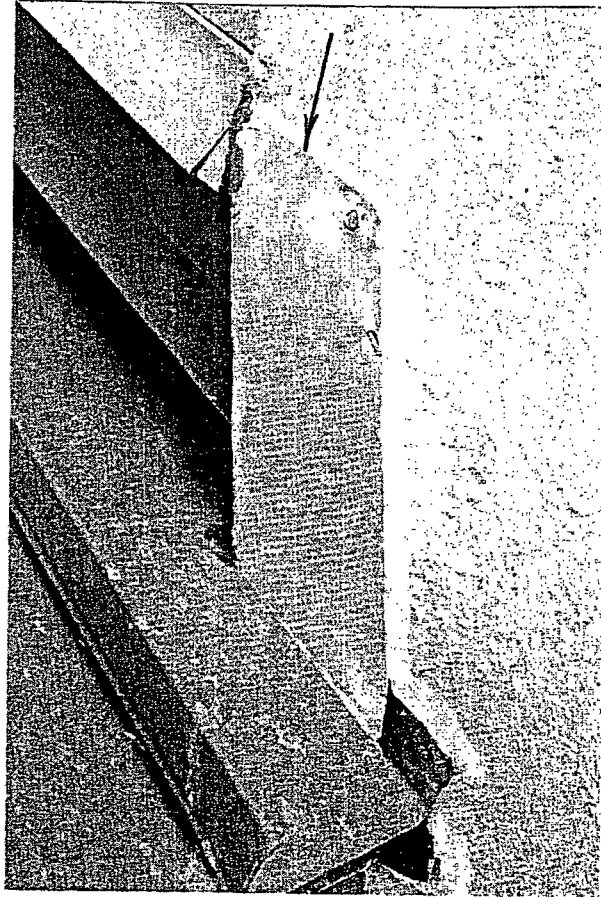


Photo 6: The top of the flashing is simply sealed with caulk with no counter flashing promoting a water intrusion condition. Counter flashing was required by the contract.

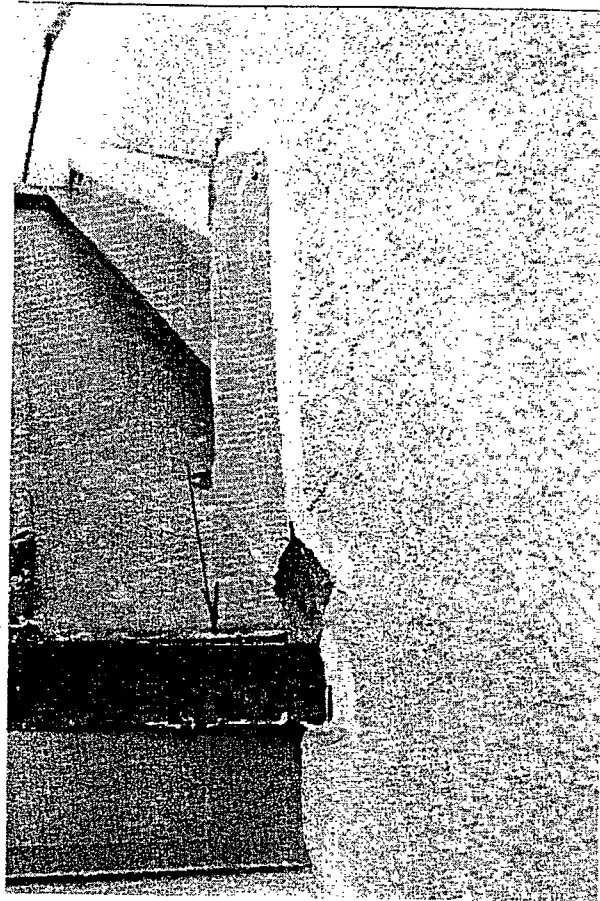


Photo 7: Note that no kick out or water dam flashing was installed thus directing water onto the face of the stucco and the control joint below promoting water intrusion conditions in the adjacent wall as described by the Commercial Building Consultant's report of January 31, 2008. The absence of kickout flashing is in violation of original contract requirements.

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CCS 1366

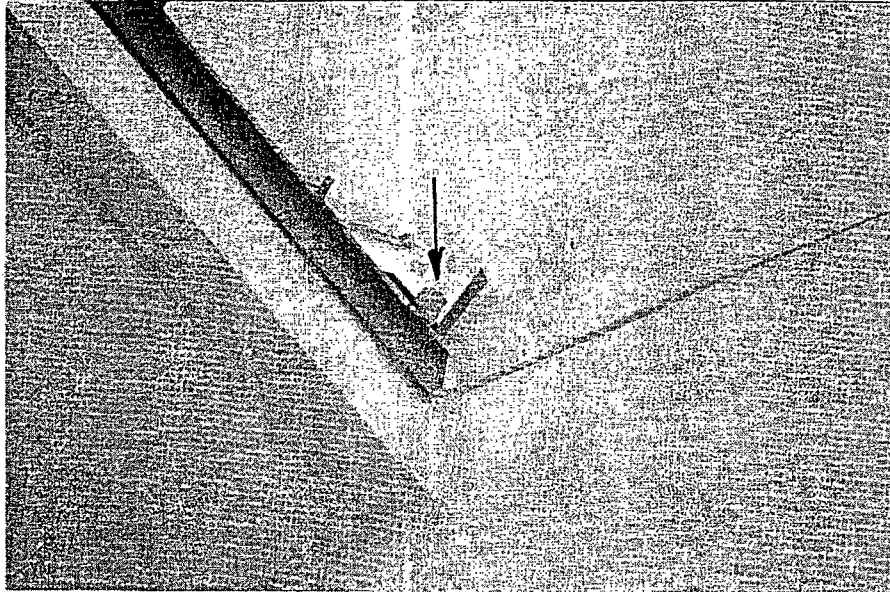


Photo 8: Although there was evidence of kickout or water dam flashing at the east end third floor termination, observations revealed no evidence of counter flashing to ensure moisture does not enter the system as required by the contract. Observations revealed evidence that the stucco and flashing intersection was heavily caulked that was not the proper configuration to ensure prevention of moisture entering at the wall at the flashing joint.

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CCS 1367

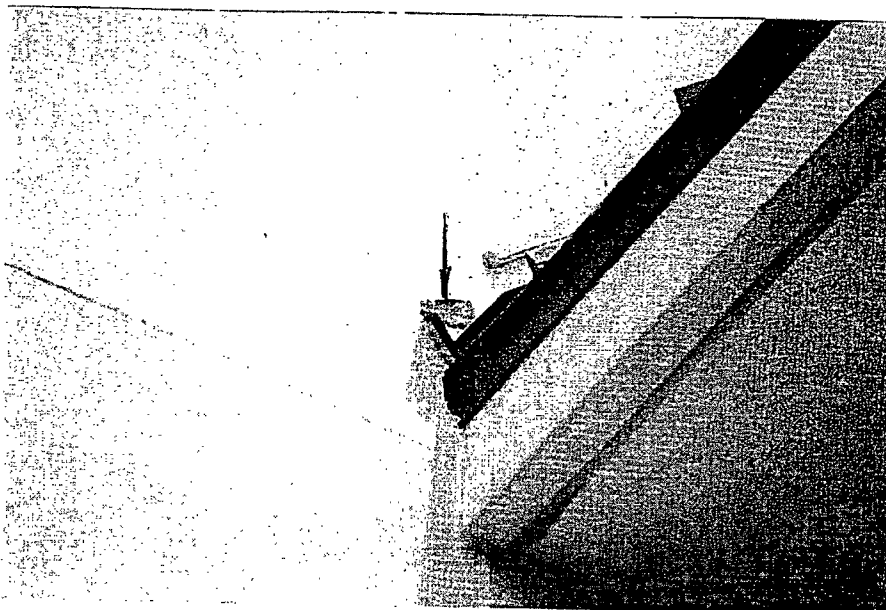


Photo 9: Observations of the west elevation also indicated evidence of a kickout configuration; however, the flashing installation adjacent to the kickout is an improper configuration. There is no counter flashing and it appears the flashing is simply an extension of the metal roof vertical panel flashing with heavy amounts of caulk to seal it to the wall.

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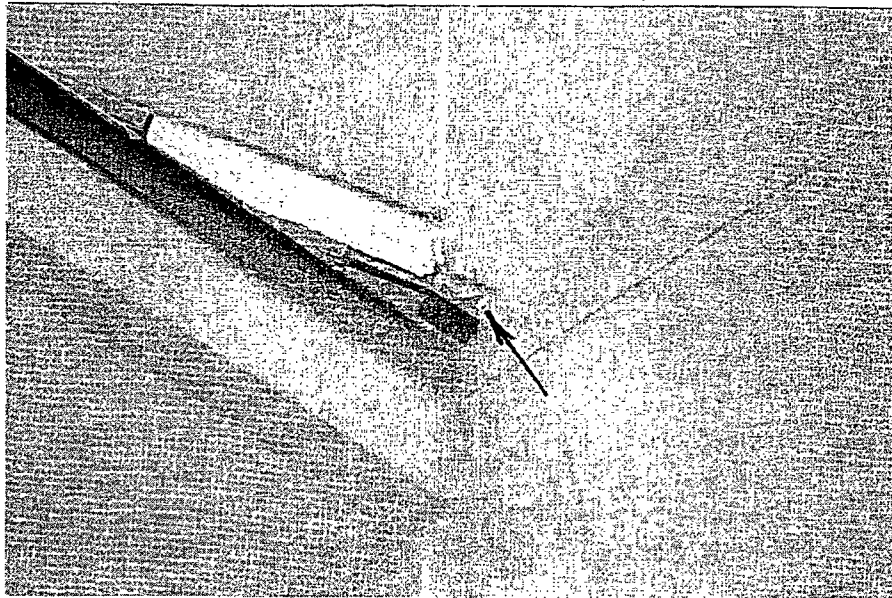


Photo 10: Observations at the east end Building D revealed an improper sloped roof termination configuration such that the standing seam roof/wall flashing was overlapped by the stucco with no evidence of a kick out to ensure water intrusion did not occur behind the overlapped stucco. Also note that there was no counter flashing and that the intersection was simply caulked which promotes a water intrusion condition. This configuration is in violation of IBC Section 1503.2.

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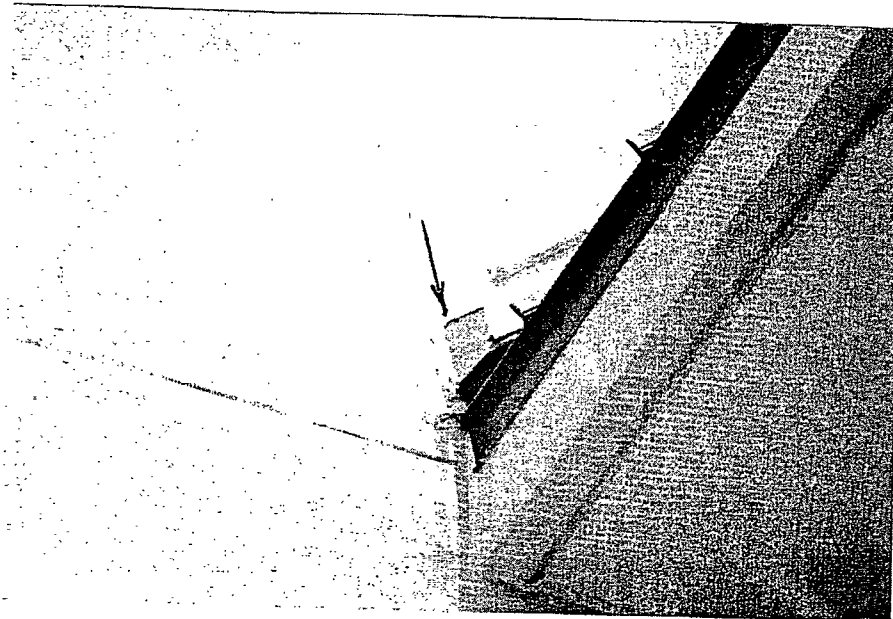


Photo 11: Observations of the third floor sloped roof termination at the west end of Building D revealed a different flashing configuration. Observations revealed that the metal panel roof/wall intersection flashing was extended onto the face of the stucco panel. However, the counter flashing terminated prior to termination of the panel roof flashing.

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CCS 1370

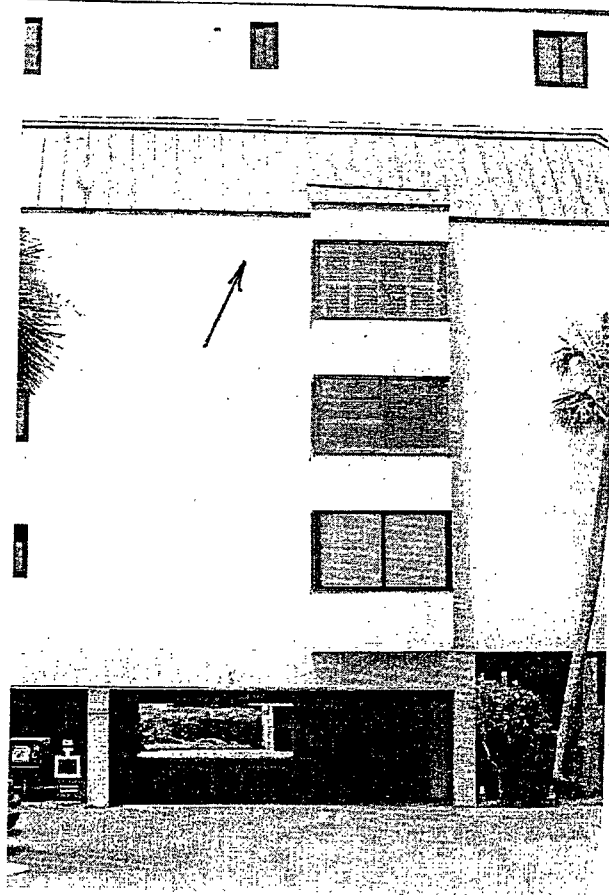


Photo 12: Blister condition in the third floor level at the west end of Building C.

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CCS 1371

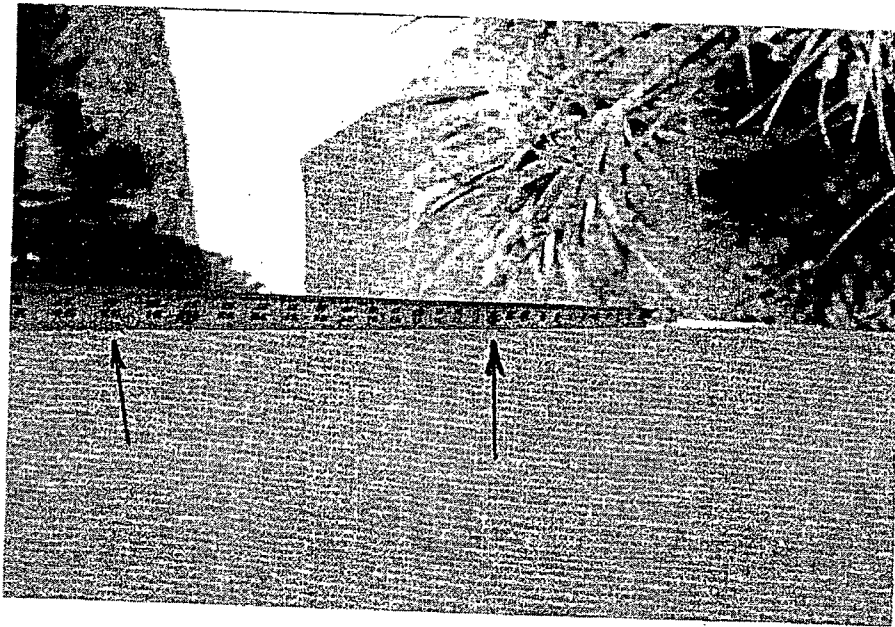


Photo 13: Blistering at the west end fourth floor balcony sidewall of Building C.

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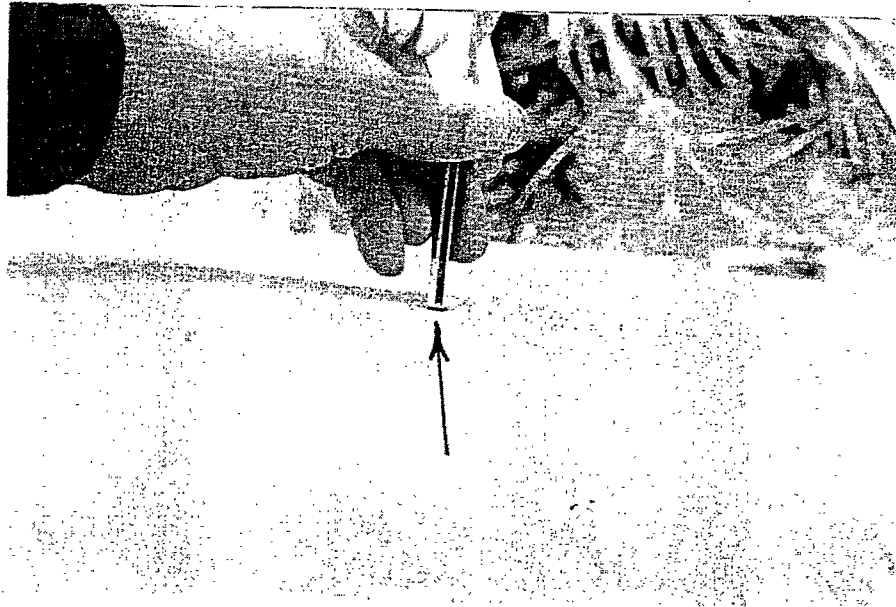


Photo 14: Blistering at the west end fourth floor balcony sidewall of Building C.

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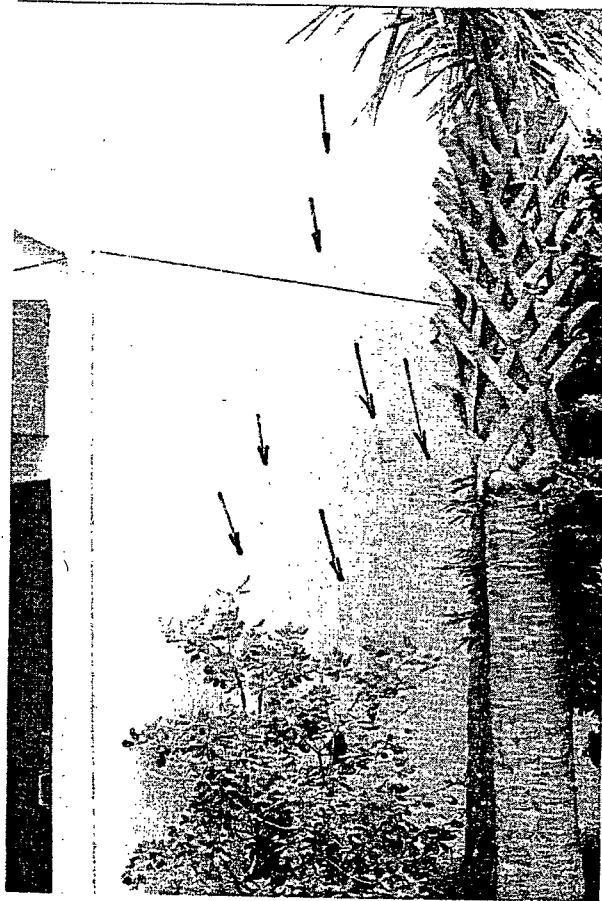


Photo 15: Observations revealed heavy efflorescence emanating from cracking under the polymer based finish coat.

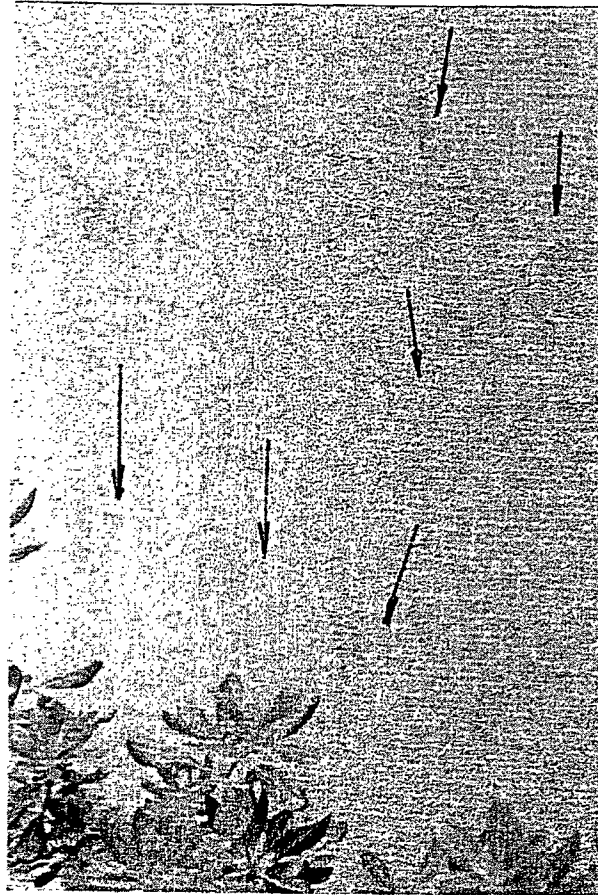


Photo 16: Observations revealed heavy efflorescence emanating from cracking under the polymer based finish coat.

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Building Committee Report
Shipwatch Homeowners' Meeting
January 20, 2007

**DEPOSITION
EXHIBIT**

Trombino 154

Dear Shipwatch Owners,

I am sorry I cannot be with you today to give this report in person. Marcy had knee surgery for a torn meniscus two weeks ago and the doctor has restricted travel for one month. Her knee is coming along fine and she began physical therapy this week. We hope to be at Shipwatch for our winter stay in early February. Be that as it may, I wanted to write this report as the basis for discussion of Shipwatch building status at today's meeting. Shipwatch manager, Linda Jernigan, Building Committee member, Fred Trombino and past Board member, Carl Grisier will be more than able to answer any questions you may have regarding the status of buildings and facilities at Shipwatch.

2006 has been a busy and event filled year of capital improvement for Shipwatch. The Capital Plan that necessitated an owner assessment is nearly complete. As I have said before, none of us want or appreciate an assessment. However, I think we can all agree that the improvements done on the pool, elevator cabs, elevator lobbies, parking lot, landscaping and corridor lights are not only very aesthetically pleasing but are important for improving the equity we have as owners of Shipwatch. Additionally, I trust you are enjoying the convenience and elimination of hassle the retractable screens on living room doors are providing versus the sliding screens.

Attached to this report is a cost and completion status of the project. As you can see, all items are complete except for landscaping, painting of building railings and boardwalk extensions at Buildings A and D. Landscaping work is in progress now and will be completed shortly. Building railings will be painted in March. Extending the boardwalks outward at the A and D buildings is on hold because of the current cycle of beach erosion.

As you review the status sheet, you will notice cost differences (both plus and minus) between our original estimates that went into sizing the assessment amounts and actual costs. Following is a discussion on the difference for the pool, elevator lobby, parking lot repaving, corridor lights and elevator modernization.

1. The original pool estimate for \$84,000 was based on plastering and retiling the inside of the pool, replacing and resurfacing the concrete deck and installing new equipment in the pump house. Upon doing further investigation into deck materials, the decision was made to use travertine stone for the deck rather than coated concrete. The cost of the travertine versus coated concrete was an additional \$28,052. (Not only is the appearance of travertine much better but the long term maintenance costs justify the additional expenditure. Power washing the concrete was costing up to \$5000 per year and recoating cost done every 5-10 years runs about \$20,000.) When plastering of the pool was begun, it was found that previous plaster coats were loose and five previous coats needed to be totally

PL009298

removed. This was an additional \$10,000. Numerous leaks in pool piping were discovered and repairs needed. This added \$6917 to make the total pool cost \$128,969.

2. When the existing elevator lobby tiles were removed, it was discovered that the base material under the tile was a gypsum product not suitable as a base for retiling. The gypsum was removed and concrete poured to make a sound base for the new tile. This added \$5973 to the cost for the four lobbies.
3. The original schedule for paving the parking lot was March 2006. Because the work on the pool was extended into early April by stone delivery and because we did not want to pave until pool work was done, it was necessary to delay paving until November. The additional cost of \$14,416 for paving was due to the increase in asphalt cost because of oil prices.
4. Corridor lights came in well below our original estimate. Linda found a source for the lights we wanted well below the initial investigation and painting and installation of the lights also came in below cost. This saved \$19,600 versus estimated cost.
5. The original elevator modernization estimate was based on a quote from our elevator contractor ThyssenKrupp. This work entailed replacing the control system, wiring, signal fixtures, door closure protection and door operators. Because of the large amount of this quote, we contacted two other elevator maintenance firms and asked for their input. Based on this, we scaled down the scope of work to \$35,285. Improvements completed include infrared door closure protection, solid state motor starters, emergency return to the 1st floor when there is a power failure, automatic lubrication for rails and heaters for the hydraulic oil.

I'm sure we are all glad to have the past few years of construction and construction costs behind us. However, life on the beach is never dull and it is necessary to be vigilant on maintaining Shipwatch to the high standards owners (and future owners) expect. Therefore, I want to give you a glimpse of capital work under consideration by the Board at this time.

1. A number of units are experiencing water leaks in the area of 4th and 5th floor doors. Investigation is under way to determine whether this leakage is from the doors themselves or from other sources. Linda has identified fifteen suspect doors. All 264 sliding doors at Shipwatch were installed around Hugo time (1989). Seventy two of these doors were replaced two years ago. That leaves 192 doors that are 17 years old and showing various signs of age. We want to identify the doors needing replacement now and proceed with this work during 2007. The cost of a door replacement is between \$7000-8000. Additionally, we need to incorporate into annual budgeting, a plan to do a rolling change of all doors.
2. Shipwatch has two water pressure boost pump stations. One is located in the B Building for Buildings A and B and one in the C Building for C and D. These pumping stations are definitely aging. A breakdown in one of them would cause a water shutdown for two whole buildings. We are considering replacement of these pumping stations. Replacement cost for the two stations would be between \$50,000 and \$100,000.

PL009299

3. Although not a building item, we are all aware of the beach erosion going on now. This item will be discussed in detail in another part of our meeting. I include it here simply to raise the point that erosion is another cost threat for our budget.

Enjoy the meeting and your time at Shipwatch. The floor is open for questions at this time.

If you wish to discuss any of this work with me, please contact me by phone on 513-702-6301.

Arnie Schaewe
Building Committee Chair

PL009300

APPLICATION AND CERTIFICATE FOR PAYMENT

AIA DOCUMENT G702

To Owner: SHIPWATCH PROPERTY
7800 PALMETTO DRIVE
ISLE OF PALMS, S.C.
From Contractor: CAROLINA CONCRETE SYSTEMS, INC.
P.O. BOX 13149
CHARLESTON, S.C. 29422

Project: PHASE I

Application No.: 12
Period to: 4/25/2004
Project No.:

Contract Date:

Distribution To:
☐ Owner
☐ Architect
☐ Contractor

Contract For:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the contract.
Continuation sheet, AIA document G703, is attached.

1. Original Contract Sum..... \$ 249,546.00
2. Net change by Change Orders..... \$ 624,516.00
3. Contract Sum to date..... \$ 874,062.00
4. Total completed/ stored materials to date... \$ 810,547.20
5. Retainage:
 a. 5 % of stored material..... \$ 13,194.76
 b. % of stored material..... \$
Total Retainage..... \$ 13,194.76
6. Total earned less retainage..... \$ 797,352.44
7. Less previous certificates for payment.... \$ 762,391.44
8. Current payment due..... \$ 34,961.00
9. Balance to finish, including retainage..... \$ 76,709.56

Change Order Summary	Additions	Deductions
c/o # 8	37650	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief, the work covered by this Application for Payment has been completed in accordance with the contract documents, that all amounts have been paid by the Contractor for work which previous Certificates of Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: ROBERT M. WIGGINS PRESIDENT
State of: South Carolina
County of: Charleston
Subscribed and sworn to before me this _____ day of _____

Notary Public:

My commission expires:

Architect's Certificate for Payment

In accordance with the Contract Documents, based on on-site observations and

the data comprising this application, the Architect certifies to the Owner that to the Architect's knowledge, information and belief the work has progressed as indicated the quality of the work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

Amount Certified..... \$ _____

Attach explanation if amount certified differs from the amount applied for. Initial all figures on this application and on the continuation sheet that are changed to conform to the amount certified.

By: _____ Date: _____
This certificate is not negotiable. The amount certified is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this contract.

AIA DOCUMENT G702, APPLICATION AND CERTIFICATE FOR PAYMENT, 1992 EDITION. AIA. THE AMERICAN INSTITUTE OF ARCHITECTS, 1735 NEW YORK AVENUE, N.W., WASHINGTON, DC 20006-5292. WARNING: UNLICENSED PHOTOCOPYING VIOLATES U.S. COPYRIGHT LAWS AND WILL SUBJECT THE VIOLATOR TO LEGAL PROSECUTION.

CAUTION: You should use an original AIA document which has this caution in red. An original assures that changes will not be obscured as may occur when documents are reproduced.

CCS 777

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CONTINUATION SHEET

AIA DOCUMENT G703

(Instructions on reverse side)

AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractors signed Certification, is attached. In tabulations below, amounts are stated to the nearest dollar. Use column 1 on contracts where variable retainage for line items may apply.

Application No.:

Application Date:

Period to:

Architects Project No.:

CCS 778

A Item No.	B Description of Work	C Scheduled Value	D Work Completed		F Materials Presently Stored	G		H Balance To Finish
			From Previous Application	Completed This Period		Total Completed And Stored To Date	% G / C	
1	CHIMNEY REPAIRS	\$129,800.00	\$129,800.00	\$0.00	\$0.00	\$129,800.00	100%	\$0.00
2	VENT PIPE SEALANT CHANGE ORDER #1	\$10,740.00	\$10,740.00	\$0.00	\$0.00	\$10,740.00	100%	\$0.00
1	REMOVE & REPLACE METAL STUD FRAMING ON CHIMNEYS	\$4,235.00	\$4,235.00	\$0.00	\$0.00	\$4,235.00	100%	\$0.00
2	CHIMNEY FLASHING 316 STAINLESS STEEL CAP TO BE 63 MIL POWDER COAT ALUMINUM	\$4,500.00	\$4,500.00	\$0.00	\$0.00	\$4,500.00	100%	\$0.00
3	ADD NEW SHEATHING TO ROOF TO SUPPORT FLASHING BATTENS & TILE	\$2,035.00	\$2,035	\$0.00	\$0.00	\$2,035.00	100%	\$0.00
4	REMOVE & REPLACE BALCONY PARTY WALLS	\$89,440.00	\$89,440.00	\$0.00	\$0.00	\$89,440.00	100%	\$0.00
5	REPLACE FLASHING ON PARTY WALLS ON PENTHOUSE 5TH FLOOR OCEAN SIDE	\$9,360.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$9,360.00
6	TEMPORARILY CAULK ALL FLASHING ON ROOF PARAPET AND PENT HOUSE PRIVACY WALL ON GOLF COURSE SIDE	\$7,400.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$7,400.00
		\$257,510.00	\$240,750.00	\$0.00	\$0.00	\$240,750.00		\$16,760.00

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CONTINUATION SHEET

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Application No.:

Application Date:

Period to:

Architects Project No.:

CCS 779

Item No.	Description of Work	Scheduled Value	Work Completed		Materials Presently Stored	Total Completed And Stored To Date	% G/C	Balance To Finish
			From Previous Application	Completed This Period				
7	REMOVE & REPLACE OF DAMAGED PARTY WALLS AT @ CHIMNEY	\$10,395.00	\$10,395.00	\$0.00	\$0.00	\$10,395.00	100%	\$0.00
7A	REMOVE & REPLACE PRIVACY WALLS ON 6TH FL PENTHOUSE	\$20,880.00	\$20,880.00	\$0.00	\$0.00	\$20,880.00	100%	\$0.00
	CHANGE ORDER#2							
1	REMOVE & REPLACE EIFS SYSTEM ON HEATED WALLS ADJACENT TO NEW PRIVACY WALLS. REMOVE & RE-INSTALL LIGHT FIXTURES	\$22,464.00	\$17,971.20	\$0.00	\$0.00	\$17,971.20		\$4,490.80
2	REMOVE & REPLACE EIFS SYSTEM ON HEATED WALLS ADJACENT TO NEW PARTY WALLS	\$43,600.00	\$43,600.00	\$0.00	\$0.00	\$43,600.00	100%	\$0.00
3	SMALL END CHIMNEYS AND WALLS ON PENTHOUSE 2@ BLD	\$107,200.00	\$107,200.00	\$0.00	\$0.00	\$107,200.00	100%	\$0.00
4	REMOVE & REPLACE PRIVACY WALLS. ON GOLF COURSE SIDE.	\$158,400.00	\$158,400.00	\$0.00	\$0.00	\$158,400.00	100%	\$0.00
		\$362,939.00	\$358,448.20	\$0.00	\$0.00	\$358,448.20	0%	\$4,492.80

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CONTINUATION SHEET
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Application No.:
Application Date:
Period to:
Architects Project No.:

A Item No.	B Description of Work	C Scheduled Value	D		F Materials Presently Stored	G		H Balance To Finish
			Work Completed From Previous Application	Completed This Period		Total Completed And Stored To Date	% G/C	
1	CHANGE ORDER #3 REMOVE & REPLACE EIFS HEATED WALL 4TH & 5TH FLOOR	\$110,688.00	\$110,688.00	\$0.00	\$0.00	\$110,688.00	100%	\$0.00
1	CHANGE ORDER #4 INSTALL BITUTHENE TEMPORARILY OVER PARAPET WALL TIL PHASE 2	\$1,700.00	\$1,700.00	\$0.00	\$0.00	\$1,700.00	100%	\$0.00
2	REMOVE 12 WINDOWS 5TH FL OF A & B BLDG AND FLASH	\$3,100.00	\$3,100.00	\$0.00	\$0.00	\$3,100.00	100%	\$0.00
3	INSTALL 12 NEW WINDOWS ON 5TH FL	\$12,240.00	\$12,240.00		0	\$12,240.00	100%	\$0.00
4	REPAINT 4 NEW CHIMNEY CAPS THAT WERE ORDERED PRIOR TO ROOF COLOR SECTION	\$1,080.00	\$1,080.00	\$0.00	\$0.00	\$1,080.00	100%	\$0.00
5	REPAIR CONCRETE ON PENTHOUSE BALCONY WALL TO SLAB VOID BLDG A & B	\$1,760.00	\$1,760.00			\$1,760.00	100%	\$0.00
6	REMOVE & REPLACE 4TH FLOOR CORRIDOR END WALL ON B BLD DUE TO NO FLASHING	\$1,840.00	\$1,040.00	\$0.00	\$0.00	\$1,840.00	100%	\$0.00
		\$132,408.00	\$132,408.00	\$0.00	\$0.00	\$132,408.00	100%	\$0.00

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CCS 780

CONTINUATION SHEET

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Application No.:

Application Date:

Period to:

Architects Project No.:

CCS 781

A Item No.	B Description of Work	C Scheduled Value	D		F Materials Presently Stored	G		H Balance To Finish
			Work Completed From Previous Application	Completed This Period		Total Completed And Stored To Date	% G / C	
7	TEMPORARILY REPAIR SMALL END CHIMNEYS ON C BLD UNTIL PHASE II	\$1,170.00	\$1,170.00	\$0.00	\$0.00	\$1,170.00	100%	\$0.00
1	CHANGE ORDER # 6 REMOVE FLASHING & REINSTALL NEW FLASHING ON 12 CHIMNEYS	\$10,608.00	\$10,608.00	\$0.00	\$0.00	\$10,608.00	100%	\$0.00
2	REMOVE FLASHING & STUCCO AND INSTALL NEW RECEIVERS CHANGE ORDER # 6	\$5,208.00	\$5,208.00	\$0.00	\$0.00	\$5,208.00	100%	\$0.00
1	CONCRETE REPAIR TO WALL SLAB VOID ON BLD C	\$920.00	\$920.00	\$0.00	\$0.00	\$920.00	100%	\$0.00
2	CONCRETE REPAIR TO 3 BALCONY RAIL POST	\$1,640.00	\$1,640.00	\$0.00	\$0.00	\$1,640.00	100%	\$0.00
3	REMOVE 12 WINDOWS FLASH AND REINSTLL BLDG C & D	\$3,100.00	\$3,100.00	\$0.00	\$0.00	\$3,100.00	100%	\$0.00
1	CHANGE ORDER # 7 CONCRETE REPAIR WALL TO SLAB VOID BLD D	\$920.00	\$920.00	\$0.00	\$0.00	\$920.00	100%	\$0.00
		\$23,566.00	\$23,566.00	\$0.00	\$0.00	\$23,566.00	100%	\$0.00

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Application No.:
Application Date:
Period to:
Architects Project No.:

A Item No.	B Description of Work	C Scheduled Value	D		F Materials Presently Stored	G		H Balance To Finish
			Work Completed From Previous Application	Completed This Period		Total Completed And Stored To Date	% G/C	
2	CONCRETE REPAIR TO BALCONY RAIL UNIT D324.	\$547.00	\$547.00	\$0.00	\$0.00	\$547.00	100%	\$0.00
3	REMOVE & INSTALL NEW FRAMING INSULATION AND DRYWALL AT GARAGE ENTRY ON ALL 4 BLD	\$19,650.00	\$19,650.00	\$0.00	\$0.00	\$19,650.00	100%	\$0.00
4	REMOVE BAY WINDOWS THAT HAVE BEEN REPLACE AND INSTALL PROPER FLASHING & REINSTALL	\$10,152.00	\$0.00	\$0.00	\$0.00	\$0.00	0%	\$10,152.00
5	REMOVE & REPLACE 12 OLD BAY WINDOWS	\$29,640.00	\$0.00	\$0.00	\$6,000.00	\$0.00	0%	\$23,640.00
6	CHANGE ORDER # 8 ADD 3 MORE BAY WINDOWS TO REPLACE 3 ORDERED BY GLASSTEC	\$7,410.00	\$0.00	\$4,940.00	\$0.00	\$4,940.00	66%	\$2,470.00
7	Qty 24 WINDOWS 1ST, 2ND & 3RD FLOOR END WALLS. 23" X42"	\$30,240.00	\$0.00	\$30,240.00	\$0.00	\$30,240.00	100%	\$0.00
		\$97,639.00	\$20,197.00	\$35,180.00	\$6,000.00	\$55,377.00	67%	\$42,262.00

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CCS 782

CAROLINA CONCRETE SYSTEMS, INC
P.O. BOX 13149 CHARLESTON, S.C. 29422

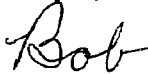
Fax

To:	SHIPWATCH PROPERTIES	From:	Bob Wiggins
	LESTER	Date:	2/02/05
Fax:	886-5815	Pages	2
Subject	FINAL PAY APP FOR PHASE II, D		
	BLDG & RETAINAGE		

LESTER,

Here is our invoice for the final pay app for the D building and for our retainage. There are still a few items left on the Phase I contract ie: bay windows, privacy wall cap flashing on D Bldg and the retainage from the handrails reinstallation. Please contact Bob Sisroy as soon as possible and have him inspect, so we can get a check by the end of the month.

Thank you,



Bob Wiggins

843-588-6721 FAX 843-588-6722

Member:
International Concrete
Repair Institute

Member:
Associated General
Contractors

Member:
American Concrete
Institute

Member:
Sealant, Waterproofing
Restoration Institute

CCS 916

CAROLINA CONCRETE SYSTEMS,
INC.
P.O. BOX 13149
CHARLESTON, SC 29422

Invoice

Date	Invoice #
2/2/2005	05-6

Bill To
Shipwatch Property Horizontal Regime. 7600 Palmetto Drive Isle of Palms, S.C. 29451

		P.O. No.	Terms	Project
			Net 15	
Item	Qty	Description	Rate	Amount
2		SUPERVISION, LABOR, EQUIPMENT & MATERIAL TO PERFORM WORK ACCORDING TO CONTRACT, ENGINEERS AND MANUFACTURES SPECIFICATIONS	64,785.00	64,785.00
RETAINAGE		RETAINAGE RELEASE FOR PHASE II CONTRACT	26,365.50	26,365.50
			Total	\$91,150.50

CCS 915

CAROLINA CONCRETE SYSTEMS, INC.

INSPECTION REPORT

May 9, 2007

MS. LINDA JERNIGAN
Shipwatch at Wild Dunes
7600 Palmetto Drive
Isle of Palms, S.C. 29451

Re: Exterior Building Inspection Report

Linda,

Here is our report of the conditions of the exterior of the 4 buildings at 7600 Palmetto Drive Isle of Palms, S.C. The exterior inspection report is broken down into left and right ends standing in the parking lot, corridors, stairs and balconies.

1. We inspected and caulked all areas that needed to be caulked on the new windows that were installed with the exception of the one window on D bldg on the 417 unit. I have repeatedly asked Charleston Glass to send someone out to caulk it, as we could not reach it with a lift. I will continue to call them until they send someone out.
2. All light fixtures and receptacles on the balconies that were not caulked or that caulk had failed were recaulked.
3. All vertical and horizontal joints in the stucco system was inspected and found to be in good condition. All areas that needed to be recaulked were done.
4. The hard coat stucco on the stair towers and elevator shafts have a few cracks and this has been shown to Carl Ulm of Ferst Exteriors. He was not alarmed and told us to keep an eye on them.
5. There is one area on the southeast end of the B bldg on the third level right end wall that has a blister and Carl said he would talk with the manufacture of the products he used and would take care of repairing the area.
6. We also checked all the stairs in the stair towers and found several that you had already mentioned to us that need to have new metal welded to the lower riser and treads.
7. We also noticed several areas on the elevator windows that the glazing has failed and we recommend this be repaired in the near future.
8. We did not inspect the roof, however there are a number of problems that we noticed from the lift as we were inspecting the walls and balconies.

**DEPOSITION
EXHIBIT**

JERNIGAN

CCS 968

7

9. The deck coating in the common corridors was inspected and found to be in good condition. They will need to be top coated again next year in order to maintain the 10-year warranty.

10. The balcony deck coatings were also in good condition and will need the same top coating next year. There are a few areas where the coatings have been cut, cigarette burns, furniture rusting and furniture legs gouging into the coating. We recommended after installation of the deck coating that no metal furniture be used on the balconies. However, there are a significant number of units that have the metal furniture.

11. There are a few balconies that will need to be recoated this fall as they have tears and or cuts.

12. There are several areas that need to have the stucco patched on the balconies because of construction in the units. There are a few areas in the parking garages that the stucco has been bumped by cars that need to be fixed.

12. The new bedroom/balcony doors look good and are functioning properly.

13. The handrails inspected are in good condition with the exception of the corridor handrails. Hoses and equipment continue to be drug across the rail cap, which has scraped the paint off.

14. Leaks continue to be a problem at and around the old sliding doors on the beachfront and golf course side of the buildings. We have repeatedly shown you and numerous board members that these doors are leaking and I am sure there is damage that is occurring in the new metal stud walls with the Durock system that we installed during our project. In 2003/2004.

15. I would recommend you have someone inspect the roofs, as they probably have not been looked at since it was installed.

In closing, our inspection tells us that the remediation project that was performed in 2003/2004 has eliminated several reoccurring problems and the systems are performing adequately. However, there are a few problems that remain an issue. General maintenance of the deck coatings, stucco system and caulk inspection and repairs on an annual program should extend the life cycle of the remediation project for years to come.

Sincerely,

Bob Wiggins

International Concrete Repair Institute

"2002 Project of the Year Award Recipient"

"2003 Project of the Year Award Recipient"

843-588-6721 FAX-843-588-6722

P.O. BOX 13149, CHARLESTON, S.C. 29422

CCS 969

CAROLINA CONCRETE SYSTEMS, INC.

INSPECTION REPORT

February 5th, 2009

MS. LINDA JERNIGAN
Shipwatch at Wild Dunes
7600 Palmetto Drive
Isle of Palms, S.C. 29451

Re: Exterior Building Inspection Report

Linda,

Here is our report of the conditions of the exterior of the 4 buildings at 7600 Palmetto Drive Isle of Palms, S.C. The exterior inspection report is broken down into different reports starting at the North end standing in the parking lot and working around to the south end, including corridors, stairs and balconies.

Exterior ends and street side report

1. We inspected and caulked all areas that needed to be caulked including the light fixtures on the golf course side balconies. There are numerous areas on all four buildings that have some cracks in the stucco system. This has been noted and you have sent us a letter directing us to have it repaired. We are communicating this to Ferst Exteriors to repair as they installed the system in 2003 and 2004.
2. All light fixtures and receptacles on the balconies that were not caulked or that the caulk has failed were recaulked.
3. All vertical and horizontal joints in the stucco system was inspected and found to be in good condition. All areas that needed to be recaulked were done.
4. We also noticed several areas on the elevator windows that the glazing has failed and we recommend this be repaired in the near future.
5. We did not inspect the roof, however there are a number of problems that we noticed from the lift as we were inspecting the walls and balconies.
6. We found the roof hatch on A Bldg and B Bldg had loose peel and stick waterproofing that we caulked.
7. The deck coating in the common corridors was inspected and found to be in good condition. This is the 5th year of the warranty period, so they will need to be top coated again next year in order to maintain the 10-year warranty.
8. Elevator door frames were checked and re-caulked if necessary.

PL 0630

9. The handrails are in fair condition and have widespread paint peeling as well as some corrosion appearing. There is one loose rail post on D Bldg that needs to be repaired. There also continues to be hoses dragged over the rails causing paint peeling and stress on the rails.
10. The stairwells were inspected and the areas that were corroded and needed welding have been done with the exception of the risers on the steps. This needs to be fixed as someone could cut a fit on the ragged metal.
11. The stairwell doors and storage doors are showing signs of rust and need to be sanded and painted.
12. The metal shed roof on the 4th floor breezeway has steel bolts that are completely rusted and need to be replaced with stainless anchors. This is a critical issue and needs to be repaired soon.
13. There are several door stops on the corridors that have been broken of and are causing rust stains on the deck coating.
14. There are numerous areas on the EIFS stucco system on the corridors that has been busted and needs to be repaired.
15. The windows on the corridors are exhibiting signs of corrosion and the caulk around the windows is showing signs of cracking.

Beach front balcony inspection

1. The balcony deck coatings were also in fair condition and will need the same top coating next year. There are a few areas where the coatings have been cut, cigarette burns, furniture rusting and furniture legs gouging into the coating. We recommended after installation of the deck coating that no metal furniture be used on the balconies. However, there are a significant number of units that have the metal furniture.
2. There are a few balconies that will need to be recoated this fall as they have tears and or cuts. We are cleaning and recoating A 407 for it has a hole through the base coat and could possible allow moisture into the unit.
3. There are several areas that need to have the stucco patched on the balconies because of construction in the units. There are a few areas in the parking garages that the stucco has been bumped by cars that need to be fixed.
4. The new bedroom/balcony doors look good and are functioning properly.
5. The handrails inspected are in fair condition. There is widespread peeling of paint and some signs of corrosion. There are numerous rail post that are loose and need to be fixed as soon as possible.
6. Leaks continue to be a problem at and around the old sliding doors on the beachfront and golf course side of the buildings. We have repeatedly shown you and numerous board members that these doors are leaking and I am sure there is damage that is occurring in the new metal stud walls with the Durock system that we installed during our project in 2003/2004. We are in the process of replacing 17 doors and I recommend that the remaining old doors be removed and replaced.

February 9, 2009

7. The fixed panel windows on the beachfront balconies are showing sign of considerable corrosion and the glazing is cracking. These need to be replaced in the near future.
8. There are numerous receptacles broken and wall vents that have rusting screws leaching on the stucco walls.
9. There are numerous spalls on the face of the balconies that need to be repaired so that they don't become a life safety issue.
10. The balconies need to be power washed to removed the salt build up on the windows, doors, handrails and deck coatings.

In closing, our inspection tells us that the buildings are in good condition, however there are several issues that need to be addressed. General maintenance of the doors and windows, deck coatings, stucco system and caulk inspection and repairs on an annual program should extend the life cycle of the remediation project for years to come.

Sincerely,

Bob Wiggins

4th floor N corner
Oc can side
roof gap

International Concrete Repair Institute

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843-588-6721 FAX-843-588-6722

P.O. BOX 13149, CHARLESTON, S.C. 29422

PL 0632

CAROLINA CONCRETE SYSTEMS, INC.

PROPOSAL

June 3rd, 2003

Mr. Charlie Rhoden
Shipwatch at Wild Dunes
7600 Palmetto Drive
Isle of Palms, S.C. 29451

Re: Phase II Waterproofing Repairs at Shipwatch

Dear Mr. Rhoden,

I appreciate the opportunity you have given me to work with you, the board and the homeowners on your waterproofing needs.

Enclosed is our proposal for the repairs you asked for. Since we deferred some of the repairs from phase 1, I am including them here so that you can work on a budget as well as the overall scope of repairs needed.

I am not sure if we had stariwell and elevator towers scheduled for 2004 budget, however, I have included them.

Also, keep in mind we have not flooded any of the balconies to determine what if anything can be done to correct the negative slope and ponding issues.

Scope of Work

1. Privacy walls on golf course side of penthouse units that are leaking into heated wall space Bld C & D Qty 32 \$2475.00@ = **\$79,200.00**
2. Chimneys and walls of end unit balconies that are of improper construction and are leaking into heated wall space. Qty 4 \$13,400.00@ = **\$53,600.00**
3. Replace flashing around top of roof hatches inside perimeter of each. Qty 8 \$2250.00@ = **\$18,000.00**

CCS 458

4. Prep and paint 3 ladders each bld. Does not include any welding if necessary. Qty 16 \$650.00@ = **\$10,400.00**

5. Balcony and corridor deck coating based on 42,968 with light to medium coatings on balconies and heavy duty on corridors. 73,503.25 **\$294,013.00**

6. Waterproof flextight 6" up wall and 4" out on to balcony slab.

\$4460.50 = **\$17,842.00**

7 Remove and replace EIFS system with Durock Stucco System on 4th and 5th floor endwalls of Bldg. C & D. Qty 4 walls \$13,836.00 @ **\$55,340.00**

8. Remove and replace EIFS system with Durock Stucco System, 50 % metal stud replacement 100% replacement of insulation on 1st, 2nd and 3rd floor end walls of all 4 Bldg. Qty 8 walls \$37,240.00@ **\$297,920.00**

9. Remove and replace stucco system to stairwell towers. Qty 8 walls \$28,800.00@ **\$230,400.00**

10. Remove and replace stucco system on elevator towers. Qty 4 \$26185.00@ **\$104,740.00**

Phase II Total **\$1,161,455.00**

This proposal does not include any roof repairs, window, door, additional wall repairs, mold remediation and interior finish repairs. We will be happy to provide you with a price to perform any of these repairs.

Our proposal includes supervision, labor, equipment and material unless otherwise specified, to complete the project as described in our scope of work.

June 4, 2003

Sincerely,



Bob Wiggins

President

International Concrete Repair Institute

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843-588-6721 FAX-843-588-6722

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CCS 460

OFFICE COPY

1997 EDITION

ORIGINAL

AIA DOCUMENT A101-1997

Standard Form of Agreement Between Owner and Contractor where the basis of payment is a STIPULATED SUM

AGREEMENT made as of the
in the year 2002
(In words, indicate day, month and year)

Fifth day of November

BETWEEN the Owner:
(Name, address and other information)

SHIPWATCH HORIZONTAL PROPERTIES
7600 PALMETTO DRIVE
ISLE OF PALMS, S.C. 29451

and the Contractor:
(Name, address and other information)

CAROLINA CONCRETE SYSTEMS, INC.
P.O. BOX 13149
CHARLESTON, S.C. 29422

The Project is:
(Name and location)

SHIPWATCH AT WILD DUNES
7600 PALMETTO DRIVE
ISLE OF PALMS, S.C.

The Architect is:
(Name, address and other information)

The Owner and Contractor agree as follows.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201-1997, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

This document has been approved and endorsed by The Associated General Contractors of America.



© 1997 AIA®
AIA DOCUMENT A101-1997
OWNER-CONTRACTOR
AGREEMENT

The American Institute of Architects
1735 New York Avenue, N.W.
Washington, D.C. 20006-5292

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ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 8.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

If, prior to the commencement of the Work, the Owner requires time to file mortgages, mechanic's liens and other security interests, the Owner's time requirement shall be as follows:

3.2 The Contract Time shall be measured from the date of commencement.

3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than 65 days from the date of commencement, or as follows:

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

This schedule is for substantial completion of Chimney Repairs only. Additional schedules will be provided when the additional work is started.

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time or for bonus payments for early completion of the Work.)



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PL 1151

ARTICLE 4 CONTRACT SUM

4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be ~~NINE THOUSAND FIVE HUNDRED FORTY SIX~~ **TWO HUNDRED FORTY** Dollars (\$249,546⁰⁰), subject to additions and deductions as provided in the Contract Documents.

4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner.
(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

4.3 Unit prices, if any, are as follows:

ARTICLE 5 PAYMENTS

5.1 PROGRESS PAYMENTS

5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

5.1.3 Provided that an Application for Payment is received by the ~~Architect~~ ^{Owner} not later than the ~~30th~~ ^{15th} day of a month, the Owner shall make payment to the Contractor not later than the ~~15th~~ ^{following} day of the ~~owner~~ ^{month}. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than ~~15~~ ¹⁵ days after the Architect receives the Application for Payment.

5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the ~~Architect~~ ^{Owner} may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.



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3

PL 1152

5.1.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- 1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of Five percent (5 %). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Subparagraph 7.3.8 of AIA Document A201-1997;
- 2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of Five percent (5 %);
- 3 Subtract the aggregate of previous payments made by the Owner; and
- 4 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Paragraph 9.5 of AIA Document A201-1997.

5.1.7 The progress payment amount determined in accordance with Subparagraph 5.1.6 shall be further modified under the following circumstances:

- 1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and (Subparagraph 9.8.5 of AIA Document A201-1997 requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)
- 2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Subparagraph 9.10.3 of AIA Document A201-1997.

5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Clauses 5.1.6.1 and 5.1.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)

5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

5.2 FINAL PAYMENT

5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- 1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Subparagraph 12.2.2 of AIA Document A201-1997, and to satisfy other requirements, if any, which extend beyond final payment; and
- 2 a final Certificate for Payment has been issued by the Architect.

Engineer



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5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

ARTICLE 6 TERMINATION OR SUSPENSION

6.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-1997.

6.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-1997.

ARTICLE 7 MISCELLANEOUS PROVISIONS

7.1 Where reference is made in this Agreement to a provision of AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

7.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.
(Insert rate of interest agreed upon, if any.)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

7.3 The Owner's representative is:
(Name, address and other information)

Charles Rhoden
President
Shipwatch Horizontal Properties
Isle of Palms, S.C. 29451

7.4 The Contractor's representative is:
(Name, address and other information)

Robert M. Wiggins
P.O. Box 13149
Charleston, S.C. 29422

7.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days' written notice to the other party.

7.6 Other provisions:



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ARTICLE 8 ENUMERATION OF CONTRACT DOCUMENTS

8.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

8.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A201-1997.

8.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997.

8.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated October 16th, 2002, and are as follows:

Document	Title	Pages
Proposal	Waterproofing Repairs	4
Proposal	Additional Traffic Coatings	1
Exterior Condition Survey		35

8.1.4 The Specifications are those contained in the Project Manual dated as in Subparagraph 8.1.3. and are as follows:
(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Section	Title	Pages

8.1.5 The Drawings are as follows, and are dated
different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Title	Date



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PL 1155

8.1.6 The Addenda, if any, are as follows:

Number	Date	Pages

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 8.

8.1.7 Other documents, if any, forming part of the Contract Documents are as follows:
(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201-1997 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

Shipwatch Horizontal Project Regime

Charles W. Rhodes, Jr.

OWNER (Signature)

Robert M. Higgins

CONTRACTOR (Signature)

Charles W. Rhodes, Jr.

(Printed name and title)

(Printed name and title)

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PL 1156

9/22/03

AIA Document A101/CMA

Standard Form of Agreement Between Owner and Contractor

where the basis of payment is a STIPULATED SUM

1992 CONSTRUCTION MANAGER-ADVISER EDITION

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES; CONSULTATION WITH AN ATTORNEY IS ENCOURAGED WITH RESPECT TO ITS COMPLETION OR MODIFICATION.

The 1992 Edition of AIA Document A201/CMA, General Conditions of the Contract for Construction, Construction Manager-Adviser Edition, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

AGREEMENT

made as of the TWENTY SECOND day of SEPTEMBER in the year of
(In words, indicate day, month and year.) TWO THOUSAND AND THREE

BETWEEN the Owner: SHIPWATCH HORIZONTAL PROPERTY REGIME
(Name and address) 7600 PALMETTO DRIVE
ISLE OF PALMS, S.C.

and the Contractor: CAROLINA CONCRETE SYSTEMS, INC.
(Name and address) P.O. BOX 13149
CHARLESTON, S.C. 29422

For the following Project:
(Include detailed description of Project, location, address and scope.)

The attached Schedule dated September 19th, 2003 is the scope of work for the project and will become a part of this contract. However, because of deferrment of balcony repairs, the pricing may change if the price of subcontractors and material suppliers changes.
The Construction Manager is:
(Name and address)

The Architect is:
(Name and address)

The Owner and Contractor agree as set forth below.

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ARTICLE 1
THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 9.

ARTICLE 2
THE WORK OF THIS CONTRACT

The Contractor shall execute the entire Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents, to be the responsibility of others, or as follows:

ARTICLE 3
DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

3.1 The date of commencement is the date from which the Contract Time of Paragraph 3.2 is measured, and shall be the date of this Agreement, as first written above, unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

October 1st, 2003

Unless the date of commencement is established by a notice to proceed issued by the Owner, the Contractor shall notify the Owner, through the Construction Manager, in writing not less than five days before commencing the Work to permit the timely filing of mortgages, mechanic's liens and other security interests.

3.2 The Contractor shall achieve Substantial Completion of the entire Work not later than

(Insert the calendar date or number of calendar days after the date of commencement. Also insert any requirements for earlier Substantial Completion of certain portions of the Work, if not stated elsewhere in the Contract Documents.)

March 30th, 2004

***excluding weather delays**

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time.)

ARTICLE 4
CONTRACT SUM

4.1 The Owner shall pay the Contractor in current funds for the Contractor's performance of the Contract the Contract Sum of **One Million One Hundred Fifty One Thousand Two Hundred Seventeen Dollars (\$ 1,151,217.00)**, subject to additions and deductions as provided in the Contract Documents.

4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date until which that amount is valid.)

1. Resloping Balconies with concrete overlays.
2. Window or door repairs.
3. PROPOSAL DATED JUNE 3RD 2003 ATTACHED

4.3 Unit prices, if any, are as follows:

ARTICLE 5 **PROGRESS PAYMENTS**

5.1 Based upon Applications for Payment submitted by the Contractor to the Construction Manager, and upon Project Applications and Certificates for Payment issued by the Construction Manager and Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

5.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

25th day of each month.

5.3 Provided an Application for Payment is submitted to the ~~Construction Manager~~ ^{Owner} not later than the 25th day of a month, the Owner shall make payment to the Contractor not later than the 15th day of the following month. If an Application for Payment is received by the Construction Manager after the application date fixed above, payment shall be made by the Owner not later than n/a days after the Construction Manager receives the Application for Payment.

5.4 Each Application for Payment shall be based upon the Schedule of Values submitted by the Contractor in accordance with the Contract Documents. The Schedule of Values shall allocate the entire Contract Sum among the various portions of the Work and be prepared in such form and supported by such data to substantiate its accuracy as the Construction Manager or Architect may require. This schedule, unless objected to by the Construction Manager or Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

5.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

5.6 Subject to the provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

5.6.1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the total Contract Sum allocated to that portion of the Work in the Schedule of Values, less retainage of five percent (5 %). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute may be included as provided in Subparagraph 7.3.7 of the General Conditions;

5.6.2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of five percent (5 %);

5.6.3 Subtract the aggregate of previous payments made by the Owner; and n/a

5.6.4 Subtract amounts, if any, for which the Construction Manager or Architect has withheld or nullified a Certificate for Payment as provided in Paragraph 9.5 of the General Conditions.

5.7 The progress payment amount determined in accordance with Paragraph 5.6 shall be further modified under the following circumstances: n/a

5.7.1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to ninety five percent (95 %) of the Contract Sum, less such amounts as the Construction Manager recommends and the Architect determines for incomplete Work and unsettled claims; and

5.7.2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Subparagraph 9.10.3 of the General Conditions.

5.8 Reduction or limitation of retainage, if any, shall be as follows:

(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Subparagraphs 5.6.1 and 5.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)

n/a

ARTICLE 8

FINAL PAYMENT

Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when (1) the Contract has been fully performed by the Contractor except for the Contractor's responsibility to correct nonconforming Work as provided in Subparagraph 12.2.2 of the General Conditions and to satisfy other requirements, if any, which necessarily survive final payment; and (2) a final Project Certificate for Payment has been issued by the Construction Manager and Architect; such final payment shall be made by the Owner not more than 30 days after the issuance of the final Project Certificate for Payment, or as follows:

ARTICLE 7

MISCELLANEOUS PROVISIONS

7.1 Where reference is made in this Agreement to a provision of the General Conditions or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

7.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

7.3 Temporary facilities and services:

(Here insert temporary facilities and services which are different from or in addition to those included elsewhere in the Contract Documents.)

Carolina Concrete will be provided with power, water and waste disposal containers. We will be allowed to place temporary portable bathrooms on the property and we will be provided laydown area for material storage.

7.4 Other Provisions:

(Here list any special provisions affecting the Contract.)

ARTICLE 8
TERMINATION OR SUSPENSION

- 8.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of the General Conditions.
- 8.2 The Work may be suspended by the Owner as provided in Article 14 of the General Conditions.

ARTICLE 9
ENUMERATION OF CONTRACT DOCUMENTS

- 9.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:
- 9.1.1 The Agreement is this executed Standard Form of Agreement Between Owner and Contractor, AIA Document A101/CMA, 1992 Construction Manager-Adviser Edition.
- 9.1.2 The General Conditions are the General Conditions of the Contract for Construction, AIA Document A201/CMA, 1992 Construction Manager-Adviser Edition.
- 9.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows:

Document	Title	Pages
	n/a	

- 9.1.4 The Specifications are those contained in the Project Manual dated as in Subparagraph 9.1.3, and are as follows:
(Either list the Specifications here or refer to an exhibit attached to this Agreement.) -

Section	Title	Pages
Statement of Work	Chimney and Roof Repairs	
11/13/2002	by Robert Sisnroy P.E.	
Engineering Report of Remedial Repairs		
1/16/2003	by Sisnroy Engineerings	

9.1.6 The Drawings are as follows, and are dated
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

unless a different date is shown below:

Number	Title	Date

n/a

9.1.8 The Addenda, if any, are as follows:

Number	Date	Pages

n/a

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 9.

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8.1.7 Other documents, if any, forming part of the Contract Documents are as follows:

(List here any additional documents which are intended to form part of the Contract Documents. The General Conditions provide that bidding requirements such as advertisement or invitation to bid, instructions to bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

This Agreement is entered into as of the day and year first written above and is executed in at least four original copies of which one is to be delivered to the Contractor, one each to the Construction Manager and Architect for use in the administration of the Contract, and the remainder to the Owner.

OWNER

Carl A. Grisek
(Signature)
CARL A. GRISIEK
DIRECTOR
(Printed name and title)

CONTRACTOR

Robert M. Wiggins
(Signature)
Robert M. Wiggins President
(Printed name and title)



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A101/CMA-1992 8

AIA DOCUMENT A101-1997**Standard Form of Agreement Between Owner and Contractor**
where the basis of payment is a **STIPULATED SUM**

AGREEMENT made as of the
in the year
(In words, indicate day, month and year)

Nineteenth
2008

day of December

BETWEEN the Owner:
(Name, address and other information)

Shipwatch
7600 Palmetto
Isle of Palms, S.C. 29451

and the Contractor:
(Name, address and other information)

CAROLINA Concrete Systems Inc.
PO Box 13149
Charleston, S.C. 29422

The Project is:
(Name and location)

Removal and Replacement of
16 EFCO DOORS in the specified
units.

The Architect is:
(Name, address and other information)

The Owner and Contractor agree as follows.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201-1997, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

This document has been approved and endorsed by The Associated General Contractors of America.

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CCS 1167

ARTICLE 1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement; these form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than Modifications, appears in Article 8.

ARTICLE 2 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

3.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

February 25th 2008

If, prior to the commencement of the Work, the Owner requires time to file mortgages, mechanic's liens and other security interests, the Owner's time requirement shall be as follows:

3.2 The Contract Time shall be measured from the date of commencement.

3.3 The Contractor shall achieve Substantial Completion of the entire Work not later than 30 days from the date of commencement, or as follows:

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time or for bonus payments for early completion of the Work.)



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CCS 1168

ARTICLE 4 CONTRACT SUM

4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be One Hundred Sixty, Nine Thousand, Six Hundred Dollars (\$169,600), subject to additions and deductions as provided in the Contract Documents.

4.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:
(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

4.3 Unit prices, if any, are as follows:

\$10,600⁰⁰ per door Replacement

ARTICLE 5 PAYMENTS

5.1 PROGRESS PAYMENTS

5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

5.1.2 The period covered by each Application for Payment shall be ~~one calendar month ending on the last day of the month, or as follows:~~ Payment due within 10 Days of Receipt of Invoice

5.1.3 Provided that an Application for Payment is received by the Architect not later than the N/A day of a month, the Owner shall make payment to the Contractor not later than the day of the month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than days after the Architect receives the Application for Payment.

5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment.

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CCS 1169

5.1.5 Applications for Payment shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

5.1.6 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

- 1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of _____ percent (____ %). Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute shall be included as provided in Subparagraph 7.3.8 of AIA Document A201-1997;
- 2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of _____ percent (____ %);
- 3 Subtract the aggregate of previous payments made by the Owner; and
- 4 Subtract amounts, if any, for which the Architect has withheld or nullified a Certificate for Payment as provided in Paragraph 9.5 of AIA Document A201-1997.

5.1.7 The progress payment amount determined in accordance with Subparagraph 5.1.6 shall be further modified under the following circumstances:

- 1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Architect shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and (Subparagraph 9.8.5 of AIA Document A201-1997 requires release of applicable retainage upon Substantial Completion of Work with consent of surety, if any.)
- 2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Subparagraph 9.10.3 of AIA Document A201-1997.

5.1.8 Reduction or limitation of retainage, if any, shall be as follows:

(If it is intended, prior to Substantial Completion of the entire Work, to reduce or limit the retainage resulting from the percentages inserted in Clauses 5.1.6.1 and 5.1.6.2 above, and this is not explained elsewhere in the Contract Documents, insert here provisions for such reduction or limitation.)

5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site.

5.2 FINAL PAYMENT

5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- 1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Subparagraph 12.2.2 of AIA Document A201-1997, and to satisfy other requirements, if any, which extend beyond final payment; and
- 2 a final Certificate for Payment has been issued by the Architect.



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5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

ARTICLE 6 TERMINATION OR SUSPENSION

6.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201-1997.

6.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201-1997.

ARTICLE 7 MISCELLANEOUS PROVISIONS

7.1 Where reference is made in this Agreement to a provision of AIA Document A201-1997 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

7.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

7.3 The Owner's representative is:

(Name, address and other information)

LINDA JERNIGAN

7.4 The Contractor's representative is:

(Name, address and other information)

Robert W. Ggins

7.5 Neither the Owner's nor the Contractor's representative shall be changed without ten days' written notice to the other party.

7.6 Other provisions:



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(Printed name and title)

(Printed name and title)



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ARTICLE 8 ENUMERATION OF CONTRACT DOCUMENTS

8.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated as follows:

8.1.1 The Agreement is this executed 1997 edition of the Standard Form of Agreement Between Owner and Contractor, AIA Document A101-1997.

8.1.2 The General Conditions are the 1997 edition of the General Conditions of the Contract for Construction, AIA Document A201-1997.

8.1.3 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated _____, and are as follows:

Document	Title	Pages

Proposa 1	Sept 5th 2007	

8.1.4 The Specifications are those contained in the Project Manual dated as in Subparagraph 8.1.3, and are as follows:
(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Section	Title	Pages

8.15 The Drawings are as follows, and are dated _____ unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Title	Date



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PL 0793

8.1.6 The Addenda, if any, are as follows:

Number

Date

Pages

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 8.

8.1.7 Other documents, if any, forming part of the Contract Documents are as follows:

(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201-1997 provides that bidding requirements such as advertisement or invitation to bid, Instructions to Bidders, sample forms and the Contractor's bid are not part of the Contract Documents unless enumerated in this Agreement. They should be listed here only if intended to be part of the Contract Documents.)

This Agreement is entered into as of the day and year first written above and is executed in at least three original copies, of which one is to be delivered to the Contractor, one to the Architect for use in the administration of the Contract, and the remainder to the Owner.

OWNER (Signature)

CONTRACTOR (Signature)

(Printed name and title)

(Printed name and title)

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PL 0794

CAROLINA CONCRETE SYSTEMS, INC.

PROPOSAL

April 26, 2010

Shipwatch Properties
7600 Palmetto Drive
Isle of Palms, S.C. 29451

Re: Repairs at Shipwatch

Dear Ms. Jernigan,

I appreciate the opportunity you have given me to provide you with a proposal for the removal and replacement of the EIFS on the Beachfront balconies at the above named project.

Our proposal includes supervision, labor, equipment and material unless otherwise specified, to complete the project as described in our scope of work.

Scope of Work

We will mobilize to the site and begin removal of the existing EIFS stucco system and will reinstall the BASF Accrowall Accocrete/Durock and Stucco system that was used on the other areas of the buildings in the 2003-2005 project.

We will also be removing and replacing the fixed store front windows on a raised curb on the 1st through 3rd floor units.

We will high pressure clean the beach side balcony decks after the stucco project is complete. This would be an opportune time to recoat the balcony decks with the Sonnebourne Urethane Waterproof Deck coating. We will be glad to provide you with the price to perform this work.

Basis of Proposal

1. We will be given free and clear access to the project work site.
2. This proposal is based on performing the work on two (2) buildings starting in September 2010.
3. Electricity and potable water will be provided by others.
4. We will be allowed to work during daylight hours to perform task that do not generate excessive noise and will be allowed to work evening hours to perform the remaining task.

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5. All furniture must be removed from the balconies prior to our mobilization or we will remove it for a fee of \$25.00 per balcony and will not be responsible for security of the furniture.
6. This proposal does not include bonds, permits or fees required by the City or County to perform this project. Once a contract is awarded, these fees will be included in the contract amount and will be payable once we have mobilized to the site and started repairs.
7. Landscape will be protected as well as possible but some damage may occur which should be repaired at no cost to us.
8. Contract shall be written on standard AIA Contract form with terms agreeable with both parties.
9. This proposal is good for 90 days.

Payment

Payment for the removal of the existing EIFS system and replacement of the BASF Accrowall System, replacing the fixed store front windows and the pressure washing of the Beach Front Balconies on two buildings will be in the **\$282,800.00**

Regular pay request / invoices will be generated on a monthly basis and payment will be due within 15 days of receipt of invoice.

Ms Jernigan, I look forward to having the opportunity to working with you on this project, and if you have any questions, please don't hesitate to call me.

Sincerely,

Bob Wiggins

President

International Concrete Repair Institute

"2002 Project of the Year Recipient"

"2003 Project of the Year Recipient"

www.carolinaconcretesystems.com

843-588-6721 FAX-843-588-6722

P.O. BOX 13149, CHARLESTON, S.C. 29422

CCS 1447

 AIA[®] Document A105[™] – 2007

Standard Form of Agreement Between Owner and Contractor for a Residential or Small Commercial Project

AGREEMENT made as of the FIRST day of SEPTEMBER
in the year 2010

BETWEEN the Owner:
(Name, legal status, address and other information)

Shipwatch Horizontal Properties
7600 Palmetto Drive
Isle of Palms, S.C.

and the Contractor:
(Name, legal status, address and other information)

Carolina Concrete Systems, Inc.
P.O. Box 13149
Charleston, S.C. 29422

for the following Project:
(Name, location and detailed description)

Remove and replace 11 old sliding glass doors
and replace with Neuma High Impact Commercial
doors.

The Architect

Gary Freeman Architect
1469 Diamond Boulevard
Mt. Pleasant, S.C. 29466
843-884-6506

The Owner and Contractor agree as follows.

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This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

State or local law may impose requirements on contracts for home improvements. If this document will be used for Work on the Owner's residence, the Owner should consult local authorities or an attorney to verify requirements applicable to this Agreement.

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TABLE OF ARTICLES

1	THE CONTRACT DOCUMENTS
2	DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION DATE
3	CONTRACT SUM
4	PAYMENT
5	INSURANCE
6	GENERAL PROVISIONS
7	OWNER
8	CONTRACTOR
9	ARCHITECT
10	CHANGES IN THE WORK
11	TIME
12	PAYMENTS AND COMPLETION
13	PROTECTION OF PERSONS AND PROPERTY
14	CORRECTION OF WORK
15	MISCELLANEOUS PROVISIONS
16	TERMINATION OF THE CONTRACT
17	OTHER TERMS AND CONDITIONS

ARTICLE 1 THE CONTRACT DOCUMENTS

§ 1.1 The Contractor shall complete the Work described in the Contract Documents for the Project. The Contract Documents consist of

- .1 this Agreement signed by the Owner and Contractor;
- .2 the drawings and specifications prepared by the Architect, dated _____, and enumerated as follows:

Drawings:

Number	Title	Date
1	Proposal	4/29/2010

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Specifications:

Section	Title	Pages

- 3 addenda prepared by the Architect as follows:

Number	Date	Pages

- 4 written orders for changes in the Work issued after execution of this Agreement; and

- 5 other documents, if any, identified as follows:

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

The number of calendar days available to the Contractor to substantially complete the Work is the Contract Time. The date of commencement of the Work shall be the date of this Agreement unless otherwise indicated below. The Contractor shall substantially complete the Work, no later than () calendar days from the date of commencement, subject to adjustment as provided in Article 10 and Article 11.

(Insert the date of commencement, if it differs from the date of this Agreement.)

ARTICLE 3 CONTRACT SUM

§ 3.1 Subject to additions and deductions in accordance with Article 10, the Contract Sum is:

\$116,600.00

§ 3.2 For purposes of payment, the Contract Sum includes the following values related to portions of the Work:
(Itemize the Contract Sum among the major portions of the Work.)

Portion of the Work	Value
Remove & replace 11 sliding glass doors in 9 units	\$116,600.00
3 in unit A 401	
1 in unit A 402	
1 in unit A 403	
1 in unit A 404	
1 in unit B 413	
1 in unit B 416	
1 in unit C 422	
2 in unit D 431	

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§ 3.3 Unit prices, if any, are as follows:

(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)

§ 3.4 Allowances included in the Contract Sum, if any, are as follows:

(Identify allowance and state exclusions, if any, from the allowance price.)

Item	Price (\$0.00)

§ 3.5 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and hereby accepted by the Owner:

(State the numbers or other identification of accepted alternates. If the bidding or proposal documents permit the Owner to accept other alternates subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

Any change order requested in writing by the owner and performed by the Contractor will be billed at a rate of the Cost of the supervision, labor & material to perform the work plus ten percent (10%). Any change order request could result in an extension of contract time and the contractor will notify the owner if said extension is necessary.

§ 3.6 The Contract Sum shall include all items and services necessary for the proper execution and completion of the Work.

ARTICLE 4 PAYMENT

§ 4.1 Based on Contractor's Applications for Payment certified by the Architect, the Owner shall pay the Contractor, in accordance with Article 12, as follows:

(Insert below timing for payments and provisions for withholding retainage, if any.)

Invoices will be generated on the 25th of the Month and payment will be due within 10 days of receipt of invoice.

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§ 4.2 Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate below, or in the absence thereof, at the legal rate prevailing at the place of the Project.

ARTICLE 5 INSURANCE

§ 5.1 The Contractor shall provide Contractor's general liability and other insurance as follows:
(Insert specific insurance requirements and limits.)

Type of Insurance	Limit of Liability (\$0.00)
General Liability	1,000,000.00

§ 5.2 The Owner shall provide property insurance to cover the value of the Owner's property, including any Work provided under this Agreement. The Contractor is entitled to receive an increase in the Contract Sum equal to the insurance proceeds related to a loss for damage to the Work covered by the Owner's property insurance.

§ 5.3 The Contractor shall obtain an endorsement to its general liability insurance policy to cover the Contractor's obligations under Section 8.12.

§ 5.4 Each party shall provide certificates of insurance showing their respective coverages prior to commencement of the Work.

§ 5.5 Unless specifically precluded by the Owner's property insurance policy, the Owner and Contractor waive all rights against (1) each other and any of their subcontractors, suppliers, agents and employees, each of the other; and (2) the Architect, Architect's consultants and any of their agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance or other insurance applicable to the Work.

ARTICLE 6 GENERAL PROVISIONS

§ 6.1 THE CONTRACT

The Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a written modification in accordance with Article 10.

§ 6.2 THE WORK

The term "Work" means the construction and services required by the Contract Documents, and includes all other labor, materials, equipment and services provided, or to be provided, by the Contractor to fulfill the Contractor's obligations.

§ 6.3 INTENT

The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all.

§ 6.4 OWNERSHIP AND USE OF ARCHITECT'S DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

Documents prepared by the Architect are instruments of the Architect's service for use solely with respect to this Project. The Architect shall retain all common law, statutory and other reserved rights, including the copyright. The Contractor, subcontractors, sub-subcontractors, and material or equipment suppliers are authorized to use and reproduce the instruments of service solely and exclusively for execution of the Work. The instruments of service may not be used for other Projects or for additions to this Project outside the scope of the Work without the specific written consent of the Architect.

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ARTICLE 7 OWNER

§ 7.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

§ 7.1.1 If requested by the Contractor, the Owner shall furnish all necessary surveys and a legal description of the site.

§ 7.1.2 Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, the Owner shall obtain and pay for other necessary approvals, easements, assessments and charges.

§ 7.2 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work which is not in accordance with the Contract Documents, the Owner may direct the Contractor in writing to stop the Work until the correction is made.

§ 7.3 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies, correct such deficiencies. In such case, the Contract Sum shall be adjusted to deduct the cost of correction from payments due the Contractor.

§ 7.4 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

§ 7.4.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions of the Project.

§ 7.4.2 The Contractor shall coordinate and cooperate with the Owner's own forces and separate contractors employed by the Owner.

§ 7.4.3 Costs caused by delays or by improperly timed activities or defective construction shall be borne by the party responsible therefor.

ARTICLE 8 CONTRACTOR

§ 8.1 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

§ 8.1.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 8.1.2 The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner. Before commencing activities, the Contractor shall (1) take field measurements and verify field conditions; (2) carefully compare this and other information known to the Contractor with the Contract Documents; and (3) promptly report errors, inconsistencies or omissions discovered to the Architect.

§ 8.2 CONTRACTOR'S CONSTRUCTION SCHEDULE

The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work.

§ 8.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 8.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work.

§ 8.3.2 The Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner through the Architect the names of subcontractors or suppliers for each portion of the Work. The Contractor shall not contract with any subcontractor or supplier to whom the Owner or Architect have made a timely and reasonable objection.

§ 8.4 LABOR AND MATERIALS

§ 8.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work.

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§ 8.4.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

§ 8.5 WARRANTY

The Contractor warrants to the Owner and Architect that: (1) materials and equipment furnished under the Contract will be new and of good quality unless otherwise required or permitted by the Contract Documents; (2) the Work will be free from defects not inherent in the quality required or permitted; and (3) the Work will conform to the requirements of the Contract Documents.

§ 8.6 TAXES

The Contractor shall pay sales, consumer, use and similar taxes that are legally required when the Contract is executed.

§ 8.7 PERMITS, FEES AND NOTICES

§ 8.7.1 The Contractor shall obtain and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work.

§ 8.7.2 The Contractor shall comply with and give notices required by agencies having jurisdiction over the Work. If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs. The Contractor shall promptly notify the Architect in writing of any known inconsistencies in the Contract Documents with such governmental laws, rules and regulations.

§ 8.8 SUBMITTALS

The Contractor shall promptly review, approve in writing and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents. Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents.

§ 8.9 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits, the Contract Documents and the Owner.

§ 8.10 CUTTING AND PATCHING

The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§ 8.11 CLEANING UP

The Contractor shall keep the premises and surrounding area free from accumulation of debris and trash related to the Work. At the completion of the Work, the Contractor shall remove its tools, construction equipment, machinery and surplus material; and shall properly dispose of waste materials.

§ 8.12 INDEMNIFICATION

To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder.

ARTICLE 9 ARCHITECT

§ 9.1 The Architect will provide administration of the Contract as described in the Contract Documents. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 9.2 The Architect will visit the site at intervals appropriate to the stage of construction to become generally familiar with the progress and quality of the Work.

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§ 9.3 The Architect will not have control over or charge of, and will not be responsible for, construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's responsibility. The Architect will not be responsible for the Contractor's failure to carry out the Work in accordance with the Contract Documents.

§ 9.4 Based on the Architect's observations and evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor.

§ 9.5 The Architect has authority to reject Work that does not conform to the Contract Documents.

§ 9.6 The Architect will promptly review and approve or take appropriate action upon Contractor's submittals, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

§ 9.7 The Architect will promptly interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request from either the Owner or Contractor.

§ 9.8 Interpretations and decisions of the Architect will be consistent with the intent of and reasonably inferable from the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 9.9 The Architect's duties, responsibilities and limits of authority as described in the Contract Documents shall not be changed without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.

ARTICLE 10 CHANGES IN THE WORK

§ 10.1 The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly in writing. If the Owner and Contractor can not agree to a change in the Contract Sum, the Owner shall pay the Contractor its actual cost plus reasonable overhead and profit.

§ 10.2 The Architect will have authority to order minor changes in the Work not involving changes in the Contract Sum or the Contract Time and not inconsistent with the intent of the Contract Documents. Such orders shall be in writing and shall be binding on the Owner and Contractor. The Contractor shall carry out such orders promptly.

§ 10.3 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be subject to equitable adjustment.

ARTICLE 11 TIME

§ 11.1 Time limits stated in the Contract Documents are of the essence of the Contract.

§ 11.2 If the Contractor is delayed at any time in progress of the Work by changes ordered in the Work, or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor's control, the Contract Time shall be subject to equitable adjustment.

ARTICLE 12 PAYMENTS AND COMPLETION

§ 12.1 CONTRACT SUM

The Contract Sum stated in the Agreement, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

§ 12.2 APPLICATIONS FOR PAYMENT

§ 12.2.1 At least ten days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment for Work completed in accordance with the values stated in the Agreement. Such Application shall be supported by data substantiating the Contractor's right to payment as the Owner or Architect may reasonably require. Payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment stored, and protected from damage, off the site at a location agreed upon in writing.

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§ 12.2.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment, all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or other encumbrances adverse to the Owner's interests.

§ 12.3 CERTIFICATES FOR PAYMENT

The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part.

§ 12.4 PROGRESS PAYMENTS

§ 12.4.1 After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner provided in the Contract Documents.

§ 12.4.2 The Contractor shall promptly pay each subcontractor and supplier, upon receipt of payment from the Owner, an amount determined in accordance with the terms of the applicable subcontracts and purchase orders.

§ 12.4.3 Neither the Owner nor the Architect shall have responsibility for payments to a subcontractor or supplier.

§ 12.4.4 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the requirements of the Contract Documents.

§ 12.5 SUBSTANTIAL COMPLETION

§ 12.5.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so the Owner can occupy or utilize the Work for its intended use.

§ 12.5.2 When the Work or designated portion thereof is substantially complete, the Architect will make an inspection to determine whether the Work is substantially complete. When the Architect determines that the Work is substantially complete the Architect shall prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish the responsibilities of the Owner and Contractor, and shall fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 12.6 FINAL COMPLETION AND FINAL PAYMENT

§ 12.6.1 Upon receipt of a final Application for Payment, the Architect will inspect the Work. When the Architect finds the Work acceptable and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment.

§ 12.6.2 Final payment shall not become due until the Contractor submits to the Architect releases and waivers of liens, and data establishing payment or satisfaction of obligations, such as receipts, claims, security interests or encumbrances arising out of the Contract.

§ 12.6.3 Acceptance of final payment by the Contractor, a subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 13 PROTECTION OF PERSONS AND PROPERTY

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs, including all those required by law in connection with performance of the Contract. The Contractor shall take reasonable precautions to prevent damage, injury or loss to employees on the Work, the Work and materials and equipment to be incorporated therein, and other property at the site or adjacent thereto. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, or by anyone for whose acts the Contractor may be liable.

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ARTICLE 14 CORRECTION OF WORK

§ 14.1 The Contractor shall promptly correct Work rejected by the Architect as failing to conform to the requirements of the Contract Documents. The Contractor shall bear the cost of correcting such rejected Work, including the costs of uncovering, replacement and additional testing.

§ 14.2 In addition to the Contractor's other obligations including warranties under the Contract, the Contractor shall, for a period of one year after Substantial Completion, correct work not conforming to the requirements of the Contract Documents.

§ 14.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Section 7.3.

ARTICLE 15 MISCELLANEOUS PROVISIONS

§ 15.1 ASSIGNMENT OF CONTRACT

Neither party to the Contract shall assign the Contract as a whole without written consent of the other.

§ 15.2 TESTS AND INSPECTIONS

§ 15.2.1 At the appropriate times, the Contractor shall arrange and bear cost of tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities.

§ 15.2.2 If the Architect requires additional testing, the Contractor shall perform those tests.

§ 15.2.3 The Owner shall bear cost of tests, inspections or approvals that do not become requirements until after the Contract is executed.

§ 15.3 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located.

ARTICLE 16 TERMINATION OF THE CONTRACT

§ 16.1 TERMINATION BY THE CONTRACTOR

If the Architect fails to certify payment as provided in Section 12.3 for a period of 30 days through no fault of the Contractor, or if the Owner fails to make payment as provided in Section 12.4.1 for a period of 30 days, the Contractor may, upon seven additional days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed including reasonable overhead and profit, and costs incurred by reason of such termination.

§ 16.2 TERMINATION BY THE OWNER FOR CAUSE

§ 16.2.1 The Owner may terminate the Contract if the Contractor

- .1 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .2 fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the subcontractors;
- .3 persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
- .4 is otherwise guilty of substantial breach of a provision of the Contract Documents.

§ 16.2.2 When any of the above reasons exist, the Owner, after consultation with the Architect, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, seven days' written notice, terminate employment of the Contractor and may

- .1 take possession of the site and of all materials thereon owned by the Contractor, and
- .2 finish the Work by whatever reasonable method the Owner may deem expedient.

§ 16.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 16.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

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§ 16.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, such excess shall be paid to the Contractor. If such costs exceed the unpaid balance, the Contractor shall pay the difference to the Owner. This obligation for payment shall survive termination of the Contract.

§ 16.3 TERMINATION BY THE OWNER FOR CONVENIENCE

The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause. The Contractor shall be entitled to receive payment for Work executed, and costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

ARTICLE 17 OTHER TERMS AND CONDITIONS

(Insert any other terms or conditions below.)

This Agreement entered into as of the day and year first written above.
(If required by law, insert cancellation period, disclosures or other warning statements above the signatures.)

OWNER (Signature)

(Printed name, title and address)

CAROLINA CONCRETE SYSTEMS INC
Robert M Wiggins
CONTRACTOR (Signature)

Robert M Wiggins
(Printed name, title and address)

President

P.O. Box 13149
Charleston, S.C. 29422

LICENSE NO.: G100156

JURISDICTION: South Carolina

init.

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1997 EDITION

AIA DOCUMENT A107-1997

Abbreviated Standard Form of Agreement Between Owner and Contractor for Construction Projects of Limited Scope where the basis of payment is a STIPULATED SUM

AGREEMENT made as of the
in the year Two Thousand Three
(In words, indicate day, month and year)

11th

day of February

This document includes abbreviated General Conditions and should not be used with other general conditions.

BETWEEN the Owner:
(Name, address and other information)

Shipwatch Horizontal Property
Regime
7600 Palmetto Drive
Isle of Palms, SC 29451

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

and the Contractor:
(Name, address and other information)

Glasgow Roofing Co., Inc.
P. O. Box 60820
N. Charleston, SC 29419

This document has been approved and endorsed by The Associated General Contractors of America.

The Project is:
(Name and location)

Re-roof Tile Roofs
Phases I & II
Shipwatch Condominiums
Isle of Palms, SC

The Architect is:
(Name, address and other information)

N/A

The Owner and Contractor agree as follows.



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ARTICLE 1 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

Metal Panels on Sloped Roof and Coping on Party Walls and Main Parapet per Glasgow Roofing Co.'s quote dated January 27, 2003.

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

2.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement. If it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

Phase I - February 3, 2003 (weather permitting)

Phase II - October 1, 2003 (weather permitting)

2.2 The Contract Time shall be measured from the date of commencement.

2.3 The Contractor shall achieve Substantial Completion of the entire Work not later than days from the date of commencement, or as follows:

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

Phase I - May 23, 2003 (weather permitting)

Phase II - February 28, 2004 (weather permitting)

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time or for bonus payments for early completion of the Work.)

N/A

ARTICLE 3 CONTRACT SUM

3.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be ~~Four hundred seventy-eight thousand~~ three hundred thirty-six and 00/100 Dollars (\$ 478,336.00) subject to additions and deletions as provided in the Contract Documents.



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2.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:
(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

N/A

3.3 Unit prices, if any, are as follows:

N/A

ARTICLE 4 PAYMENTS

4.1 PROGRESS PAYMENTS

4.1.1 Based upon Applications for Payment submitted to the ^{Owner} Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents. The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

4.1.2 Provided that an Application for Payment is received by the ^{Owner} Architect not later than the 30th day of a month, the Owner shall make payment to the Contractor not later than the 15th day of the following month. If an Application for Payment is received by the Architect after the date fixed above, payment shall be made by the Owner not later than fifteen (15) days after the Architect receives the Application for Payment.

5% retainage to be held on each application for payment.
 Partial Waiver of Lien to accompany each application for payment.



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4.13 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.
(Insert rate of interest agreed upon, if any.)

0.0%

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

4.2 FINAL PAYMENT

4.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- a the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Paragraph 4.2.2 and to satisfy other requirements, if any, which extend beyond final payment; and
- a a final Certificate for Payment has been issued by the Architect. Contractor. Final Waiver of Lien to accompany final Certificate for Payment.

4.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

Contractor's

Phase I and II retainage to be released fifteen (15) days after punch list completed.

ARTICLE 5 ENUMERATION OF CONTRACT DOCUMENTS

5.1 The Contract Documents are listed in Article 6 and, except for Modifications issued after execution of this Agreement, are enumerated as follows:

5.1.1 The Agreement is this executed 1997 edition of the Abbreviated Standard Form of Agreement Between Owner and Contractor, AIA Document A107-1997.

5.1.2 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated _____, and are as follows:

Document	Title	Pages

N/A



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5.1.3 The Specifications are those contained in the Project Manual dated as in Subparagraph 5.1.2, and are as follows:
(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Section	Title	Pages
Statement of Work and attached drawings as prepared by Bob Sisroy, Sisroy Engineering.		

5.1.4 The Drawings are as follows, and are dated unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Title	Pages
N/A		

5.1.5 The Addenda, if any, are as follows:

Number	Date	Pages
N/A		

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 5.

5.1.6 Other documents, if any, forming part of the Contract Documents are as follows:
(List any additional documents which are intended to form part of the Contract Documents.)

Glasgow Roofing Co. quotation letter dated January 27, 2003, copy attached.



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GENERAL CONDITIONS

ARTICLE 6 GENERAL PROVISIONS

6.1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement with Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the Architect. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

6.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Contractor, (2) between the Owner and a Subcontractor or sub-subcontractor, (3) between the Owner and Architect or (4) between any persons or entities other than the Owner and Contractor.

6.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

6.4 EXECUTION OF THE CONTRACT

Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

~~6.5 OWNERSHIP AND USE OF ARCHITECT'S DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE~~

~~The Drawings, Specifications and other documents, including those in electronic form, prepared by the Architect and the Architect's consultants are Instruments of Service through which the Work to be executed by the Contractor is described. The Contractor may retain one record set. Neither the Contractor nor any Subcontractor, sub-subcontractor or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications and other documents prepared by the Architect or the Architect's consultants, and unless otherwise indicated the Architect and the Architect's consultants shall be deemed the authors of them and will retain all common law, statutory and other reserved rights, in addition to the copyrights. All copies of them, except the Contractor's record set, shall be returned or suitably accounted for to the Architect on request upon completion of the Work. The Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants, and copies thereof furnished to the Contractor are for use solely with respect to this Project. They are not to be used by the Contractor or any Subcontractor, sub-subcontractor or material or equipment supplier on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants. The Contractor, Subcontractors,~~



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sub-subcontractors and material or equipment suppliers are authorized to use and reproduce applicable portions of the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants appropriate to and for use in the execution of their Work under the Contract Documents. All copies made under this authorization shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' copyrights or other reserved rights.

ARTICLE 7 OWNER

7.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

7.1.1 The Owner shall furnish and pay for surveys and a legal description of the site.

7.1.2 The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

7.1.3 Except for permits and fees which are the responsibility of the Contractor under the Contract Documents, the Owner shall secure and pay for other necessary approvals, easements, assessments and charges required for the construction, use or occupancy of permanent structures or permanent changes in existing facilities.

7.2 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents, or persistently fails to carry out the Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order is eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity.

7.3 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or persistently fails or neglects to carry out the Work in accordance with the Contract Documents, or fails to perform a provision of the Contract, the Owner, after 10 days' written notice to the Contractor and without prejudice to any other remedy the Owner may have, may make good such deficiencies and may deduct the reasonable cost thereof, including Owner's expenses and compensation for the Architect's services made necessary thereby, from the payment then or thereafter due the Contractor.

ARTICLE 8 CONTRACTOR

8.1 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

8.1.1 Since the Contract Documents are complementary, before starting each portion of the Work, the Contractor shall carefully study and compare the various Drawings and other Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Subparagraph 7.1.1, shall take field measurements of any existing conditions related to that portion of the Work and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating construction by the Contractor and are not for the purpose of discovering errors, omissions or inconsistencies in the Contract Documents; however, any errors, omissions or inconsistencies discovered by the Contractor shall be reported promptly to the Architect as a request for information in such form as the Architect may require.



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8.1.2 Any design errors or omissions noted by the Contractor during this review shall be reported promptly to the Architect, but it is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional unless otherwise specifically provided in the Contract Documents.

8.2 SUPERVISION AND CONSTRUCTION PROCEDURES

8.2.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall be fully and solely responsible for the jobsite safety thereof unless the Contractor gives timely written notice to the Owner and Architect that such means, methods, techniques, sequences or procedures may not be safe.

8.2.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors.

8.3 LABOR AND MATERIALS

8.3.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

8.3.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

8.3.3 The Contractor shall deliver, handle, store and install materials in accordance with manufacturers' instructions.

8.3.4 The Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order.

8.4 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform with the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation or normal wear and tear and normal usage.

8.5 TAXES

The Contractor shall pay sales, consumer, use and other similar taxes which are legally enacted when bids are received or negotiations concluded.



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8.6 PERMITS, FEES AND NOTICES

8.6.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work.

8.6.2 The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities applicable to performance of the Work. The Contractor shall promptly notify the ~~Architect~~ ^{Engineer} and Owner if the Drawings and Specifications are observed by the Contractor to be at variance therewith. If the Contractor performs Work knowing it to be contrary to laws, statutes, ordinances, building codes, and rules and regulations without such notice to the ~~Architect~~ and Owner, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

8.7 SUBMITTALS

~~8.7.1 The Contractor shall review for compliance with the Contract Documents, approve in writing and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents with reasonable promptness. The Work shall be in accordance with approved submittals.~~

~~8.7.2 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents.~~

8.8 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

8.9 CUTTING AND PATCHING

The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

8.10 CLEANING UP

The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus material.

8.11 ROYALTIES, PATENTS AND COPYRIGHTS

~~The Contractor shall pay all royalties and license fees, shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect, unless the Contractor has reason to believe that there is an infringement of patent or copyright and fails to promptly furnish such information to the Architect.~~

8.12 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress whenever located.



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8.13 INDEMNIFICATION

8.13.1 To the fullest extent permitted by law and to the extent claims, damages, losses or expenses are not covered by Project Management Protective Liability insurance purchased by the Contractor in accordance with Paragraph 16.3, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Paragraph 8.13.

8.13.2 In claims against any person or entity indemnified under this Paragraph 8.13 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Subparagraph 8.13.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 9 ARCHITECT'S ADMINISTRATION OF THE CONTRACT

9.1 ~~The Architect will provide administration of the Contract and will be an Owner's representative (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the one year period for correction of Work described in Paragraph 17.2.~~

9.2 ~~The Architect, as a representative of the Owner, will visit the site at intervals appropriate to the stage of the Contractor's operations (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work, and (3) to determine in general if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Subparagraph 8.2.1.~~

9.3 ~~The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.~~

9.4 ~~Based on the Architect's evaluations of the Work and of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.~~

9.5 ~~The Architect will have authority to reject Work that does not conform to the Contract Documents.~~



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~~9.6 The Architect will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.~~

~~9.7 The Architect will interpret and decide matters concerning performance under and requirements of the Contract Documents on written request of either the Owner or Contractor. The Architect will make initial decisions on all claims, disputes and other matters in question between the Owner and Contractor but will not be liable for results of any interpretations or decisions so rendered in good faith.~~

~~9.8 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.~~

~~9.9 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or expanded without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.~~

9.10 CLAIMS AND DISPUTES

~~9.10.1 Claims, disputes and other matters in question arising out of or relating to this Contract, including those alleging an error or omission by the Architect but excluding those arising under Paragraph 15.3, shall be referred initially to the Architect for decision. Such matters, except those relating to aesthetic effect and except those waived as provided for in Paragraph 9.11 and Subparagraphs 14.5.3 and 14.5.4, shall, after initial decision by the Architect or 30 days after submission of the matter to the Architect, be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party.~~

9.10.2 If a claim, dispute or other matter in question relates to or is the subject of a mechanic's lien, the party asserting such matter may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by the Architect by mediation or by arbitration. Owner

9.10.3 The parties shall endeavor to resolve their disputes by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. The request may be made concurrently with the filing of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.

9.10.4 Claims, disputes and other matters in question arising out of or relating to the Contract that are not resolved by mediation, except matters relating to aesthetic effect and except those waived as provided for in Paragraph 9.11 and Subparagraphs 14.5.3 and 14.5.4, shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association and shall be made within a reasonable time after the dispute has arisen. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Except by written consent of the person or entity sought to be joined, no arbitration arising out of or relating to the Contract Documents shall include, by consolidation, joinder or in any other manner, any person or entity not a party to the Agreement under which



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such arbitration arises, unless it is shown at the time the demand for arbitration is filed that (1) such person or entity is substantially involved in a common question of fact or law, (2) the presence of such person or entity is required if complete relief is to be accorded in the arbitration, (3) the interest or responsibility of such person or entity in the matter is not insubstantial, and (4) ~~such person or entity is not the Architect or any of the Architect's employees or consultants.~~ The agreement herein among the parties to the Agreement and any other written agreement to arbitrate referred to herein shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

9.11 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes:

- 1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
- 2 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 19. Nothing contained in this Paragraph 9.11 shall be deemed to preclude an award of liquidated direct damages, when applicable, in accordance with the requirements of the Contract Documents.

ARTICLE 10 SUBCONTRACTORS

10.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site.

10.2 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner ~~through the Architect~~ the names of the Subcontractors for each of the principal portions of the Work. The Contractor shall not contract with any Subcontractor to whom the Owner ~~or Architect~~ has made reasonable and timely objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

10.3 Contracts between the Contractor and Subcontractors shall (1) require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by the terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by the Contract Documents, assumes toward the Owner ~~and Architect~~, and (2) allow the Subcontractor the benefit of all rights, remedies and redress afforded to the Contractor by these Contract Documents.

ARTICLE 11 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

11.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions



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of the Project or other construction or operations on the site under conditions of the contract identical or substantially similar to these, including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such claim as provided in Paragraph 9.10.

11.1 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's activities with theirs as required by the Contract Documents.

11.3 The Owner shall be reimbursed by the Contractor for costs incurred by the Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Contractor. The Owner shall be responsible to the Contractor for costs incurred by the Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

ARTICLE 12 CHANGES IN THE WORK

12.1 The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly. Such changes in the Work shall be authorized by written Change Order signed by the Owner, Contractor ~~and Architect~~, or by written Construction Change Directive signed by the Owner and ~~Architect~~.
Contractor

12.2 The cost or credit to the Owner from a change in the Work shall be determined by mutual agreement of the parties or, in the case of a Construction Change Directive, by the Contractor's cost of labor, material, equipment, and reasonable overhead and profit.

12.3 The Architect will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

12.4 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be equitably adjusted.

ARTICLE 13 TIME

13.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

13.2 The date of Substantial Completion is the date certified by the ~~Architect~~ in accordance with Subparagraph 4.4.1. ^{Owner or Representative}

13.3 If the Contractor is delayed at any time in the commencement or progress of the Work by changes ordered in the Work, by labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipatable, ^{Owner}unavoidable casualties or any causes beyond the Contractor's control, or by other causes which the ~~Architect~~ determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the ~~Architect~~ may determine, subject to the provisions of Paragraph 9.10. ^{Owner}



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ARTICLE 14 PAYMENTS AND COMPLETION

14.1 APPLICATIONS FOR PAYMENT

14.1.1 Payments shall be made as provided in Article 4 of this Agreement. Applications for Payment shall be in a form satisfactory to the Architect. Owner

14.1.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or other encumbrances adverse to the Owner's interests.

14.2 CERTIFICATES FOR PAYMENT

14.2.1 The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Subparagraph 14.2.3.

14.2.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluations of the Work and the data comprising the Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

14.2.3 The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Subparagraph 14.2.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Subparagraph 14.2.1. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Subparagraph 8.2.2, because of:

- 1 defective Work not remedied;
- 2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- 3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- 4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- 5 damage to the Owner or another contractor;



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- 6 reasonable evidence that the Work will not be completed within the Contract Time and that the unpaid balance would not be adequate to cover ~~actual or liquidated damages~~ for the anticipated delay; or
- 7 persistent failure to carry out the Work in accordance with the Contract Documents.

14.2.4 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

14.3 PAYMENTS TO THE CONTRACTOR

14.3.1 The Contractor shall promptly pay each Subcontractor ^(if applicable) upon receipt of payment from the Owner, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to sub-subcontractors in similar manner.

14.3.2 ~~Neither~~ The Owner nor Architect shall have an obligation to pay or see to the payment of money to a Subcontractor except as may otherwise be required by law.

14.3.3 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

14.4 SUBSTANTIAL COMPLETION

14.4.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

Owner & Contractor

14.4.2 When the Architect determines that the Work or designated portion thereof is substantially complete, ^{the Owner & Contractor} the Architect will issue a Certificate of Substantial Completion which shall establish the date of Substantial Completion, establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion. ~~Upon the issuance of the Certificate of Substantial Completion, the Architect will submit it to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate.~~

14.5 FINAL COMPLETION AND FINAL PAYMENT ^(see 4.2)

14.5.1 ~~Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a Final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions stated in Subparagraph 1.5.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.~~

14.5.2 Final payment shall not become due until the Contractor has delivered to the Owner a complete release of all liens arising out of this Contract or receipts in full covering all labor.



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materials and equipment for which a lien could be filed, or a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including costs and reasonable attorneys' fees.

14.5.3 The making of final payment shall constitute a waiver of claims by the Owner except those arising from:

- 1 liens, claims, security interests or encumbrances arising out of the Contract and unsettled;
- 2 failure of the Work to comply with the requirements of the Contract Documents; or
- 3 terms of special warranties required by the Contract Documents.

14.5.4 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 15 PROTECTION OF PERSONS AND PROPERTY

15.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

- 1 employees on the Work and other persons who may be affected thereby;
- 2 the Work and materials and equipment to be incorporated therein; and
- 3 other property at the site or adjacent thereto.

The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury or loss. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, a Subcontractor, a sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Subparagraphs 15.1.2 and 15.1.3, except for damage or loss attributable to acts or omissions of the Owner or Architect or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Paragraph 8.13.

15.2 HAZARDOUS MATERIALS

15.2.1 If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. The Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shutdown, delay and start-up, which adjustments shall be accomplished as provided in Article 12 of this Agreement.

15.2.2 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in



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Subparagraph 15.2.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), and provided that such damage, loss or expense is not due to the sole negligence of a party seeking indemnity.

15.2.3 If, without negligence on the part of the Contractor, the Contractor is held liable for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

ARTICLE 16 INSURANCE

16.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located insurance for protection from claims under workers' compensation acts and other employee benefit acts which are applicable, claims for damages because of bodily injury, including death, and claims for damages, other than to the Work itself, to property which may arise out of or result from the Contractor's operations under the Contract, whether such operations be by the Contractor or by a Subcontractor or anyone directly or indirectly employed by any of them. This insurance shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater, and shall include contractual liability insurance applicable to the Contractor's obligations. Certificates of Insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. Each policy shall contain a provision that the policy will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.

16.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

16.3 PROJECT MANAGEMENT PROTECTIVE LIABILITY INSURANCE

16.3.1 ~~Optionally, the Owner may require the Contractor to purchase and maintain Project Management Protective Liability insurance from the Contractor's usual sources as primary coverage for the Owner's, Contractor's and Architect's vicarious liability for construction operations under the Contract. Unless otherwise required by the Contract Documents, the Owner shall reimburse the Contractor by increasing the Contract Sum to pay the cost of purchasing and maintaining such optional insurance coverage, and the Contractor shall not be responsible for purchasing any other liability insurance on behalf of the Owner. The minimum limits of liability purchased with such coverage shall be equal to the aggregate of the limits required for Contractor's Liability insurance under Paragraph 16.1.~~

16.3.2 ~~To the extent damages are covered by Project Management Protective Liability insurance, the Owner, Contractor and Architect waive all rights against each other for damages, except such rights as they may have to the proceeds of such insurance. The policy shall provide for such waivers of subrogation by endorsement or otherwise.~~

16.3.3 ~~The Owner shall not require the Contractor to include the Owner, Architect or other persons or entities as additional insureds on the Contractor's liability insurance under Paragraph 16.1.~~

16.4 PROPERTY INSURANCE

16.4.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located,



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property insurance on an "all-risk" policy form, including builder's risk, in the amount of the initial Contract Sum, plus the value of subsequent modifications and cost of materials supplied and installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Paragraph 14.5 or until no person or entity other than the Owner has an insurable interest in the property required by this Paragraph 16.4 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and sub-subcontractors in the Project.

16.4.2 The Owner shall file a copy of each policy with the Contractor before an exposure to loss may occur. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

16.5 WAIVERS OF SUBROGATION

16.5.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) ~~the Architect, Architect's consultants, separate contractors described in Article 11, if any, and any of their subcontractors, sub-subcontractors, agents and employees for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to Paragraph 16.4 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 11, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.~~

16.5.2 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their sub-subcontractors in similar manner.

ARTICLE 17 CORRECTION OF WORK

17.1 The Contractor shall promptly correct Work rejected by the ^{Owner} Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections and compensation for the Architect's, Engineer's, services and expenses made necessary thereby, shall be at the Contractor's expense.

17.2 In addition to the Contractor's obligations under Paragraph 8.4, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Subparagraph 14.4.2, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it



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promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty.

17.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Paragraph 7.3.

17.4 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.

17.5 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Article 17.

ARTICLE 18 MISCELLANEOUS PROVISIONS

18.1 ASSIGNMENT OF CONTRACT

Neither party to the Contract shall assign the Contract without written consent of the other.

18.2 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located.

18.3 TESTS AND INSPECTIONS

~~Tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections or approvals which do not become requirements until after bids are received or negotiations concluded.~~

18.4 COMMENCEMENT OF STATUTORY LIMITATION PERIOD

As between Owner and Contractor, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued:

1. not later than the date of Substantial Completion for acts or failures to act occurring prior to the relevant date of Substantial Completion;
2. not later than the date of issuance of the final Certificate for Payment for acts or failures to act occurring subsequent to the relevant date of Substantial Completion and prior to the issuance of the final Certificate for Payment; and
3. not later than the date of the relevant act or failure to act by the Contractor for acts or failures to act occurring after the date of the final Certificate for Payment.



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ARTICLE 19 TERMINATION OF THE CONTRACT

19.1 TERMINATION BY THE CONTRACTOR

If the ~~Contract~~ ^{Owner} fails to recommend payment for a period of 30 days through no fault of the Contractor, or if the Owner fails to make payment thereon for a period of 30 days, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the

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Contract and recover from the Owner payment for Work executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery, including reasonable overhead, profit and damages applicable to the Project.

19.2 TERMINATION BY THE OWNER

19.2.1 The Owner may terminate the Contract if the Contractor:

1. persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
2. fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
3. persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
4. otherwise is guilty of substantial breach of a provision of the Contract Documents.

19.2.2 When any of the above reasons exists, the Owner, upon certification by the Architect that sufficient cause exists to justify such action, may, without prejudice to any other remedy the Owner may have and after giving the Contractor seven days' written notice, terminate the Contract and take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor and may finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

19.2.3 When the Owner terminates the Contract for one of the reasons stated in Subparagraph 19.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

19.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Architect, upon application, and this obligation for payment shall survive termination of the Contract.



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PL 1076

ARTICLE 20 OTHER CONDITIONS OR PROVISIONS

This Agreement entered into as of the day and year first written above.

OWNER (Signature)
SHIPWATCH HORIZONTAL PROPERTY
REGIME

CONTRACTOR (Signature)
GLASGOW ROOFING CO., INC.

CARL GRISIER, CHAIRMAN
(Printed name and title)

SID GLASGOW, PRESIDENT
(Printed name and title)

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PE 1077



Glasgow Roofing Co., Inc.
P. O. Box 80820
N. Charleston, SC 29419-0820
(843) 572-3490
FAX: 569-0902

January 27, 2003

Mr. Carl Grisier
Chairman of Building and Grounds Committee
Shipwatch Horizontal Property Regime
7600 Palmetto Drive
Isle of Palms, SC 29451

RE: Shipwatch Condominiums
Isle of Palms, SC

Mr. Grisier,

We are pleased to quote you a price for metal roofing on the above referenced project. Our quote includes the following work.

Metal Panels on Sloped Roof

- Tearoff and proper disposal of the existing concrete tile roof system.
- High temperature Ice & Water shield membrane.
- .032 prefinished aluminum roof panels in continuous lengths. Panels will have 1 1/4" tall seam with a panel width of 18".
- Eave rake, hip, head and counter flashing per manufacturer's requirements.

Coping on Party Walls and Main Parapet

- Remove existing metal coping on party walls, main parapet and dispose of property.
- Fully adhere EPDM membrane on top of parapet extending on to the horizontal surface of the wall.
- Install an .032 prefinished aluminum coping cap with standing seams and continuous cleat.
- Contractor's 2-year labor and material warranty.

We propose to complete the above work including labor, material, tax and insurance for:

**One Hundred Nineteen Thousand Five Hundred Eighty Four Dollars.
\$ 119,584.00 (each building)**

Thank you for the opportunity to quote your project and if you have any questions after review please do not hesitate to call.

Sincerely,

GLASGOW ROOFING CO., INC.

Sid Glasgow
SSG:ism

PL 1078

02

APPLICATION NO.: 1
 PERIOD TO: 4/23/03
 PROJECT NO.:
 CONTRACT DATE: 2/11/03

Contractor certifies that to the best of the Contractor's knowledge, information covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which Applications for Payment were issued and payments received from the Owner, and that the amount shown herein is now due.

GLASGOW ROOFING COMPANY, INC

Date: 4/23/03

Initial

on

born to before

by of April 2003

Jace M. Loring

Expires:

12/4/06

CERTIFICATE FOR PAYMENT

Based on the Contract Documents, based on on-site observations and the data provided, the Architect certifies to the best of the Architect's knowledge, belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED: \$

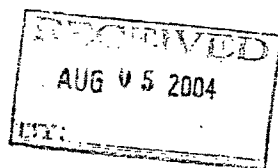
If amount certified differs from the amount applied for. Initial all figures on the Continuation Sheet that are changed to conform to the amount

Date:

not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Payment and acceptance of payment are without prejudice to any rights of the Contractor under this Contract.

PL 1079

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AIA DOCUMENT A107-1997

Abbreviated Standard Form of Agreement Between Owner and Contractor for Construction Projects of Limited Scope where the basis of payment is a STIPULATED SUM

AGREEMENT made as of the
in the year 2004
(In words, indicate day, month and year)

18TH

day of

JUNE

This document includes abbreviated General Conditions and should not be used with other general conditions.

BETWEEN the Owner:
(Name, address and other information)

Shipwatch Horizontal Property
Régime
7600 Palmetto Drive
Isle of Palms, SC 29451

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

and the Contractor:
(Name, address and other information)

Glasgow Roofing Company, Inc.
P. O. Box 60820
N. Charleston, SC 29419

This document has been approved and endorsed by The Associated General Contractors of America.

The Project is:
(Name and location)

Re-roof Flat Roofs
Bldgs. 1, 2, 3 & 4
Shipwatch Condominiums
Isle of Palms, SC

The Architect is:
(Name, address and other information)

N/A

The Owner and Contractor agree as follows.



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ARTICLE 1 THE WORK OF THIS CONTRACT

The Contractor shall fully execute the Work described in the Contract Documents, except to the extent specifically indicated in the Contract Documents to be the responsibility of others.

Modified Bitumen Roof Systems on flat roofs of Bldgs. 1 through 4 per Glasgow Roofing Company, Inc. quote dated May 21, 2003

ARTICLE 2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

2.1 The date of commencement of the Work shall be the date of this Agreement unless a different date is stated below or provision is made for the date to be fixed in a notice to proceed issued by the Owner.

(Insert the date of commencement, if it differs from the date of this Agreement or, if applicable, state that the date will be fixed in a notice to proceed.)

BLDG. A - SEPTEMBER 13, 2004 (WEATHER PERMITTING) BLDG. C - NOVEMBER 8, 2004 (WEATHER PERMITTING)
BLDG. B - OCTOBER 11, 2004 (WEATHER PERMITTING) BLDG. D - DECEMBER 6, 2004 (WEATHER PERMITTING)

2.2 The Contract Time shall be measured from the date of commencement.

2.3 The Contractor shall achieve Substantial Completion of the entire Work not later than _____ days from the date of commencement, or as follows:

(Insert number of calendar days. Alternatively, a calendar date may be used when coordinated with the date of commencement. Unless stated elsewhere in the Contract Documents, insert any requirements for earlier Substantial Completion of certain portions of the Work.)

BLDG. A - OCTOBER 8, 2004 (WEATHER PERMITTING)

BLDG. B - NOVEMBER 5, 2004 (WEATHER PERMITTING)

BLDG. C - DECEMBER 3, 2004 (WEATHER PERMITTING)

BLDG. D - JANUARY 7, 2005 (WEATHER PERMITTING)

, subject to adjustments of this Contract Time as provided in the Contract Documents.

(Insert provisions, if any, for liquidated damages relating to failure to complete on time or for bonus payments for early completion of the Work.)

SEE ATTACHED PROVISION

SUBSTANTIAL COMPLETION SHALL MEAN SIGNIFICANT PROGRESS HAS BEEN MADE TOWARD THE COMPLETION OF THE SCOPE OF WORK OF THIS CONTRACT AND THAT REOCCUPANCY OF THE BUILDING CAN OCCUR.

ARTICLE 3 CONTRACT SUM

3.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Two hundred ninety-two thousand Dollars (\$ 292,208.00-----), two hundred eight and 00/100----- subject to additions and deletions as provided in the Contract Documents.



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3.2 The Contract Sum is based upon the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:
(State the numbers or other identification of accepted alternates. If decisions on other alternates are to be made by the Owner subsequent to the execution of this Agreement, attach a schedule of such other alternates showing the amount for each and the date when that amount expires.)

N/A

3.3 Unit prices, if any, are as follows:

N/A

ARTICLE 4 PAYMENTS

4.1 PROGRESS PAYMENTS

Owner

4.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and ~~Certificates for Payment issued by the Architect~~, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents. The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

Owner

4.1.2 Provided that an Application for Payment is received by the Architect not later than the 30th day of a month, the Owner shall make payment to the Contractor not later than the 15th day of the following month. If an Application for Payment is received by the Architect after the date fixed above, payment shall be made by the Owner not later than fifteen (15) days after the Architect receives the Application for Payment.

5% retainage to be held on each application for payment. Partial
Waiver of Lien to accompany each application for payment.



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4.1.3 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.
(Insert rate of interest agreed upon, if any.)

0.0%

(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Contractor's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)

4.2 FINAL PAYMENT

4.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when:

- 1 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Paragraph 17.2, and to satisfy other requirements, if any, which extend beyond final payment; and
- 2 a final Certificate for Payment has been issued by the Architect. Contractor. Final Waiver of Lien to accompany final Certificate of Payment.

4.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:
Contractor's

Retainage to be released fifteen (15) days after punch list completed.

ARTICLE 5 ENUMERATION OF CONTRACT DOCUMENTS

5.1 The Contract Documents are listed in Article 6 and, except for Modifications issued after execution of this Agreement, are enumerated as follows:

5.1.1 The Agreement is this executed 1997 edition of the Abbreviated Standard Form of Agreement Between Owner and Contractor, AIA Document A107-1997.

5.1.2 The Supplementary and other Conditions of the Contract are those contained in the Project Manual dated , and are as follows:

Document	Title	Pages

N/A



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5.1.3 The Specifications are those contained in the Project Manual dated as in Subparagraph 5.1.2, and are as follows:
(Either list the Specifications here or refer to an exhibit attached to this Agreement.)

Section	Title	Pages

Scope of work as per Glasgow Roofing Company, Inc. quotation letter dated May 21, 2003.

5.1.4 The Drawings are as follows, and are dated unless a different date is shown below:
(Either list the Drawings here or refer to an exhibit attached to this Agreement.)

Number	Title	Pages

N/A

5.1.5 The Addenda, if any, are as follows:

Number	Date	Pages

N/A

Portions of Addenda relating to bidding requirements are not part of the Contract Documents unless the bidding requirements are also enumerated in this Article 5.

5.1.6 Other documents, if any, forming part of the Contract Documents are as follows:
(List any additional documents which are intended to form part of the Contract Documents.)

Glasgow Roofing Company, Inc. quotation letter dated May 21, 2003, copy attached.



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GENERAL CONDITIONS

ARTICLE 6 GENERAL PROVISIONS

6.1 THE CONTRACT DOCUMENTS

The Contract Documents consist of this Agreement with Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work issued by the ~~Contractor~~ ^{Contractor}. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

6.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) ~~between the Architect and Contractor~~, (2) between the Owner and a Subcontractor or sub-subcontractor, (3) ~~between the Owner and Architect~~ or (4) between any persons or entities other than the Owner and Contractor.

6.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

6.4 EXECUTION OF THE CONTRACT

Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

6.5 ~~OWNERSHIP AND USE OF ARCHITECT'S DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE~~

~~The Drawings, Specifications and other documents, including those in electronic form, prepared by the Architect and the Architect's consultants are Instruments of Service through which the Work to be executed by the Contractor is described. The Contractor may retain one record set. Neither the Contractor nor any Subcontractor, sub-subcontractor or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications and other documents prepared by the Architect or the Architect's consultants, and unless otherwise indicated the Architect and the Architect's consultants shall be deemed the authors of them and will retain all common law, statutory and other reserved rights in addition to the copyrights. All copies of them, except the Contractor's record set, shall be returned or suitably accounted for to the Architect on request upon completion of the Work. The Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants and copies thereof furnished to the Contractor are for use solely with respect to this Project. They are not to be used by the Contractor or any Subcontractor, sub-subcontractor or material or equipment supplier on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner, Architect and the Architect's consultants. The Contractor, Subcontractors,~~



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~~sub-subcontractors and material or equipment suppliers are authorized to use and reproduce applicable portions of the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants appropriate to and for use in the execution of their Work under the Contract Documents. All copies made under this authorization shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other documents prepared by the Architect and the Architect's consultants. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' copyrights or other reserved rights.~~

ARTICLE 7 OWNER

7.1 INFORMATION AND SERVICES REQUIRED OF THE OWNER

7.1.1 The Owner shall furnish and pay for surveys and a legal description of the site.

7.1.2 The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

7.1.3 Except for permits and fees which are the responsibility of the Contractor under the Contract Documents, the Owner shall secure and pay for other necessary approvals, easements, assessments and charges required for the construction, use or occupancy of permanent structures or permanent changes in existing facilities.

7.2 OWNER'S RIGHT TO STOP THE WORK

If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents, or persistently fails to carry out the Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order is eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity.

7.3 OWNER'S RIGHT TO CARRY OUT THE WORK

If the Contractor defaults or persistently fails or neglects to carry out the Work in accordance with the Contract Documents, or fails to perform a provision of the Contract, the Owner, after 10 days' written notice to the Contractor and without prejudice to any other remedy the Owner may have, may make good such deficiencies and may deduct the reasonable cost thereof, including Owner's expenses and compensation for the Architect's services made necessary thereby, from the payment then or thereafter due the Contractor.

ARTICLE 8 CONTRACTOR

8.1 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

8.1.1 Since the Contract Documents are complementary, before starting each portion of the Work, the Contractor shall carefully study and compare the various Drawings and other Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Subparagraph 7.1.1, shall take field measurements of any existing conditions related to that portion of the Work and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating construction by the Contractor and are not for the purpose of discovering errors, omissions or inconsistencies in the Contract Documents; however, any errors, omissions or inconsistencies discovered by the Contractor shall be reported promptly to the Architect as a request for information in such form as the Architect may require.

Owner

Owner



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8.1.2 Any design errors or omissions noted by the Contractor during this review shall be reported promptly to the ~~Architect~~ ^{Engineer/Owner}, but it is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional unless otherwise specifically provided in the Contract Documents.

8.2 SUPERVISION AND CONSTRUCTION PROCEDURES

8.2.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall be fully and solely responsible for the jobsite safety thereof unless the Contractor gives timely written notice to the Owner and Architect that such means, methods, techniques, sequences or procedures may not be safe.

8.2.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for or on behalf of the Contractor or any of its Subcontractors.

8.3 LABOR AND MATERIALS

8.3.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

8.3.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

8.3.3 The Contractor shall deliver, handle, store and install materials in accordance with manufacturers' instructions.

8.3.4 The Contractor may make substitutions only with the consent of the Owner, after evaluation by the ~~Architect~~ ^{Owner} and in accordance with a Change Order.

8.4 WARRANTY

The Contractor warrants to the Owner and Architect that materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform with the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation or normal wear and tear and normal usage.

8.5 TAXES

The Contractor shall pay sales, consumer, use and other similar taxes which are legally enacted when bids are received or negotiations concluded.



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8.6 PERMITS, FEES AND NOTICES

8.6.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work.

8.6.2 The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities applicable to performance of the Work. The Contractor shall promptly notify the ~~Architect~~ ^{Engineer} and Owner if the Drawings and Specifications are observed by the Contractor to be at variance therewith. If the Contractor performs Work knowing it to be contrary to laws, statutes, ordinances, building codes, and rules and regulations without such notice to the ~~Architect~~ and Owner, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

~~8.7 SUBMITTALS~~

~~8.7.1 The Contractor shall review for compliance with the Contract Documents, approve in writing and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents with reasonable promptness. The Work shall be in accordance with approved submittals.~~

~~8.7.2 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents.~~

8.8 USE OF SITE

The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

8.9 CUTTING AND PATCHING

The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

8.10 CLEANING UP

The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus material.

8.11 ROYALTIES, PATENTS AND COPYRIGHTS

~~The Contractor shall pay all royalties and license fees, shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect, unless the Contractor has reason to believe that there is an infringement of patent or copyright and fails to promptly furnish such information to the Architect.~~

8.12 ACCESS TO WORK

The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.



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8.13 INDEMNIFICATION

8.13.1 To the fullest extent permitted by law and to the extent claims, damages, losses or expenses are not covered by Project Management Protective Liability insurance purchased by the Contractor in accordance with Paragraph 16.3, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), but only to the extent caused by the negligent acts or omissions of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Paragraph 8.13.

8.13.2 In claims against any person or entity indemnified under this Paragraph 8.13 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Subparagraph 8.13.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or Subcontractor under workers' compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 9 ARCHITECT'S ADMINISTRATION OF THE CONTRACT

9.1 ~~The Architect will provide administration of the Contract and will be an Owner's representative (1) during construction, (2) until final payment is due and (3) with the Owner's concurrence, from time to time during the one-year period for correction of Work described in Paragraph 17.2.~~

9.2 ~~The Architect, as a representative of the Owner, will visit the site at intervals appropriate to the stage of the Contractor's operations (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work and (3) to determine in general if the Work is being performed in a manner indicating that the Work when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will neither have control over or charge of, nor be responsible for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents, except as provided in Subparagraph 8.2.1.~~

9.3 ~~The Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.~~

9.4 ~~Based on the Architect's evaluations of the Work and of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.~~

9.5 ~~The Architect will have authority to reject Work that does not conform to the Contract Documents.~~



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~~9.5 The Architect will review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.~~

~~9.7 The Architect will interpret and decide matters concerning performance under and requirements of the Contract Documents on written request of either the Owner or Contractor. The Architect will make initial decisions on all claims, disputes and other matters in question between the Owner and Contractor but will not be liable for results of any interpretations or decisions so rendered in good faith.~~

~~9.8 The Architect's decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.~~

~~9.9 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor and Architect. Consent shall not be unreasonably withheld.~~

9.10 CLAIMS AND DISPUTES

~~9.10.1 Claims, disputes and other matters in question arising out of or relating to this Contract including those alleging an error or omission by the Architect but excluding those arising under Paragraph 15.2 shall be referred initially to the Architect for decision. Such matters except those relating to aesthetic effect and except those waived as provided for in Paragraph 9.11 and Subparagraphs 14.5.3 and 14.5.4 shall after initial decision by the Architect or 30 days after submission of the matter to the Architect be subject to mediation as a condition precedent to arbitration or the institution of legal or equitable proceedings by either party.~~

9.10.2 If a claim, dispute or other matter in question relates to or is the subject of a mechanic's lien, the party asserting such matter may proceed in accordance with applicable law to comply with the lien notice or filing deadlines prior to resolution of the matter by the ~~Architect~~ by **Owner** mediation or by arbitration.

9.10.3 The parties shall endeavor to resolve their disputes by mediation which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect. Request for mediation shall be filed in writing with the other party to this Agreement and with the American Arbitration Association. The request may be made concurrently with the filing of a demand for arbitration but, in such event, mediation shall proceed in advance of arbitration or legal or equitable proceedings, which shall be stayed pending mediation for a period of 60 days from the date of filing, unless stayed for a longer period by agreement of the parties or court order.

9.10.4 Claims, disputes and other matters in question arising out of or relating to the Contract that are not resolved by mediation, except matters relating to aesthetic effect and except those waived as provided for in Paragraph 9.11 and Subparagraphs 14.5.3 and 14.5.4 shall be decided by arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association currently in effect. The demand for arbitration shall be filed in writing with the other party to this Agreement and with the American Arbitration Association and shall be made within a reasonable time after the dispute has arisen. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Except by written consent of the person or entity sought to be joined, no arbitration arising out of or relating to the Contract Documents shall include, by consolidation, joinder or in any other manner, any person or entity not a party to the Agreement under which



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such arbitration arises, unless it is shown at the time the demand for arbitration is filed that (1) such person or entity is substantially involved in a common question of fact or law, (2) the presence of such person or entity is required if complete relief is to be accorded in the arbitration, (3) the interest or responsibility of such person or entity in the matter is not insubstantial, and (4) ~~such person or entity is not the Architect or any of the Architect's employees or consultants.~~ The agreement herein among the parties to the Agreement and any other written agreement to arbitrate referred to herein shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

9.11 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Contractor and Owner waive claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes:

1. damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and
2. damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 19. Nothing contained in this Paragraph 9.11 shall be deemed to preclude an award of liquidated direct damages, when applicable, in accordance with the requirements of the Contract Documents.

ARTICLE 10 SUBCONTRACTORS

10.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site.

10.2 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, shall furnish in writing to the Owner ~~through the Architect~~ the names of the Subcontractors for each of the principal portions of the Work. The Contractor shall not contract with any Subcontractor to whom the Owner ~~or Architect~~ has made reasonable and timely objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

10.3 Contracts between the Contractor and Subcontractors shall (1) require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by the terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work, which the Contractor, by the Contract Documents, assumes toward the Owner ~~and Architect~~, and (2) allow the Subcontractor the benefit of all rights, remedies and redress afforded to the Contractor by these Contract Documents.

ARTICLE 11 OWNER'S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS

11.1 The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and to award separate contracts in connection with other portions



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of the Project or other construction or operations on the site under conditions of the contract identical or substantially similar to these, including those portions related to insurance and waiver of subrogation. If the Contractor claims that delay or additional cost is involved because of such action by the Owner, the Contractor shall make such claim as provided in Paragraph 9.10.

11.2 The Contractor shall afford the Owner and separate contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's activities with theirs as required by the Contract Documents.

11.3 The Owner shall be reimbursed by the Contractor for costs incurred by the Owner which are payable to a separate contractor because of delays, improperly timed activities or defective construction of the Contractor. The Owner shall be responsible to the Contractor for costs incurred by the Contractor because of delays, improperly timed activities, damage to the Work or defective construction of a separate contractor.

ARTICLE 12 CHANGES IN THE WORK

12.1 The Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly. Such changes in the Work shall be authorized by written Change Order signed by the Owner, Contractor and Architect, or by written Construction Change Directive signed by the Owner and Architect. Contractor.

12.2 The cost or credit to the Owner from a change in the Work shall be determined by mutual agreement of the parties or, in the case of a Construction Change Directive, by the Contractor's cost of labor, material, equipment, and reasonable overhead and profit.

12.3 The ^{Owner}~~Architect~~ will have authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes shall be effected by written order and shall be binding on the Owner and Contractor. The Contractor shall carry out such written orders promptly.

12.4 If concealed or unknown physical conditions are encountered at the site that differ materially from those indicated in the Contract Documents or from those conditions ordinarily found to exist, the Contract Sum and Contract Time shall be equitably adjusted.

ARTICLE 13 TIME

13.1 Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement the Contractor confirms that the Contract Time is a reasonable period for performing the Work.

13.2 The date of Substantial Completion is the date certified by the ^{Owner or Owner's Rep.}~~Architect~~ in accordance with Subparagraph 14.4.2.

13.3 If the Contractor is delayed at any time in the commencement or progress of the Work by changes ordered in the Work, by labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipatable, unavoidable casualties or any causes beyond the Contractor's control, or by other causes which the ^{Owner}~~Architect~~ determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the ^{Owner}~~Architect~~ may determine, subject to the provisions of Paragraph 9.10.



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ARTICLE 14 PAYMENTS AND COMPLETION

14.1 APPLICATIONS FOR PAYMENT

14.1.1 Payments shall be made as provided in Article 4 of this Agreement. Applications for Payment shall be in a form satisfactory to the Architect, Owner.

14.1.2 The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information and belief, be free and clear of liens, claims, security interests or other encumbrances adverse to the Owner's interests.

14.2 CERTIFICATES FOR PAYMENT

14.2.1 ~~The Architect will, within seven days after receipt of the Contractor's Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor, for such amount as the Architect determines is properly due, or notify the Contractor and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Subparagraph 14.2.3.~~

14.2.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the ~~Architect's~~ ^{Contractor's} evaluations of the Work and the data comprising the Application for Payment, that the Work has progressed to the point indicated and that, to the best of the ~~Architect's~~ ^{Contractor's} knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the ~~Architect~~ ^{Owner}. The issuance of a Certificate for Payment will further constitute a representation that the Contractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the ~~Architect~~ ^{Contractor} has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

14.2.3 The ~~Architect~~ ^{Owner} may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the ~~Architect's~~ ^{Owner's} opinion the representations to the Owner required by Subparagraph 14.2.2 cannot be made. If the ~~Architect~~ ^{Owner} is unable to certify payment in the amount of the Application, the ~~Architect~~ ^{Owner} will notify the Contractor and ~~Owner~~ ^{Owner} as provided in Subparagraph 14.2.1. The ~~Architect~~ ^{Owner} may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the ~~Architect's~~ ^{Owner's} opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Subparagraph 8.2.2, because of:

- 1 defective Work not remedied;
- 2 third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the Contractor;
- 3 failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment;
- 4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- 5 damage to the Owner or another contractor;



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- 6. reasonable evidence that the Work will not be completed within the Contract Time and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
- 7. persistent failure to carry out the Work in accordance with the Contract Documents.

14.2.4 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

14.3 PAYMENTS TO THE CONTRACTOR (if applicable)

14.3.1 The Contractor shall promptly pay each Subcontractor upon receipt of payment from the Owner, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of such Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to sub-subcontractors in similar manner.

14.3.2 ~~Neither The Owner nor Architect~~ shall have an obligation to pay or see to the payment of money to a Subcontractor except as may otherwise be required by law.

14.3.3 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

14.4 SUBSTANTIAL COMPLETION

14.4.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use.

Owner & Contractor

14.4.2 When the ~~Architect~~ determines that the Work or designated portion thereof is substantially complete, ~~the Architect will issue a Certificate of Substantial Completion which shall establish the date of Substantial Completion, establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion. Upon the issuance of the Certificate of Substantial Completion, the Architect will submit it to the Owner and Contractor for their written acceptance of responsibilities assigned to them in such Certificate.~~ ~~the Owner & Contractor~~

14.5 FINAL COMPLETION AND FINAL PAYMENT (see 4.2)

14.5.1 ~~Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a final application for Payment, the Architect will promptly make such inspection and when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions stated in this paragraph are as precedent to the Contractor's being entitled to final payment have been fulfilled.~~

14.5.2 Final payment shall not become due until the Contractor has delivered to the Owner a ~~complete~~ release of all liens arising out of this Contract or receipts in full covering all labor.



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materials and equipment for which a lien could be filed, ~~or a bond satisfactory~~ to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including costs and reasonable attorneys' fees.

14.5.3 The making of final payment shall constitute a waiver of claims by the Owner except those arising from:

1. liens, claims, security interests or encumbrances arising out of the Contract and unsettled;
2. failure of the Work to comply with the requirements of the Contract Documents; or
3. terms of special warranties required by the Contract Documents.

14.5.4 Acceptance of final payment by the Contractor, ~~a subcontractor or material supplier~~ shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 15 PROTECTION OF PERSONS AND PROPERTY

15.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:

1. employees on the Work and other persons who may be affected thereby;
2. the Work and materials and equipment to be incorporated therein; and
3. other property at the site or adjacent thereto.

The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury or loss. The Contractor shall promptly remedy damage and loss to property caused in whole or in part by the Contractor, a Subcontractor, a sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Subparagraphs 15.1.2 and 15.1.3, except for damage or loss attributable to acts or omissions of the Owner ~~or Architect~~ or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Paragraph 8.13.

15.2 HAZARDOUS MATERIALS

15.2.1 If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner ~~and Architect~~ in writing. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. The Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shutdown, delay and start-up, which adjustments shall be accomplished as provided in Article 12 of this Agreement.

15.2.2 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, ~~Subcontractors, Architect, Architect's consultants and agents~~ and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in



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Subparagraph 15.2.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), and provided that such damage, loss or expense is not due to the sole negligence of a party seeking indemnity.

15.2.3 If, without negligence on the part of the Contractor, the Contractor is held liable for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor for all cost and expense thereby incurred.

ARTICLE 16 INSURANCE

16.1 The Contractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located insurance for protection from claims under workers' compensation acts and other employee benefit acts which are applicable, claims for damages because of bodily injury, including death, and claims for damages, other than to the Work itself, to property which may arise out of or result from the Contractor's operations under the Contract, whether such operations be by the Contractor or by a Subcontractor or anyone directly or indirectly employed by any of them. This insurance shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater, and shall include contractual liability insurance applicable to the Contractor's obligations. Certificates of Insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work. Each policy shall contain a provision that the policy will not be canceled or allowed to expire until at least 30 days' prior written notice has been given to the Owner.

16.2 OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for purchasing and maintaining the Owner's usual liability insurance.

16.3 PROJECT MANAGEMENT PROTECTIVE LIABILITY INSURANCE

16.3.1 ~~Optionally, the Owner may require the Contractor to purchase and maintain Project Management Protective Liability Insurance from the Contractor's usual sources as primary coverage for the Owner's, Contractor's and Architect's vicarious liability for construction operations under the Contract. Unless otherwise required by the Contract Documents, the Owner shall reimburse the Contractor by increasing the Contract Sum to pay the cost of purchasing and maintaining such optional insurance coverage, and the Contractor shall not be responsible for purchasing any other liability insurance on behalf of the Owner. The minimum limits of liability purchased with such coverage shall be equal to the aggregate of the limits required for Contractor's Liability Insurance under Paragraph 16.1.~~

16.3.2 ~~To the extent damages are covered by Project Management Protective Liability Insurance, the Owner, Contractor and Architect waive all rights against each other for damages, except such rights as they may have to the proceeds of such insurance. The policy shall provide for such waivers of subrogation by endorsement or otherwise.~~

16.3.3 ~~The Owner shall not require the Contractor to include the Owner, Architect or other persons or entities as additional insureds on the Contractor's liability insurance under Paragraph 16.1.~~

16.4 PROPERTY INSURANCE

16.4.1 Unless otherwise provided, the Owner shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located,



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property insurance on an "all-risk" policy form, including builder's risk, in the amount of the initial Contract Sum, plus the value of subsequent modifications and cost of materials supplied and installed by others, comprising total value for the entire Project at the site on a replacement cost basis without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Paragraph 14.5 or until no person or entity other than the Owner has an insurable interest in the property required by this Paragraph 16.4 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, Subcontractors and sub-subcontractors in the Project.

16.4.2 The Owner shall file a copy of each policy with the Contractor before an exposure to loss may occur. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days' prior written notice has been given to the Contractor.

16.5 WAIVERS OF SUBROGATION

16.5.1 The Owner and Contractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) ~~the Architect, Architect's consultants, separate contractors described in Article 11, if any, and any of their subcontractors, sub-subcontractors, agents and employees for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to Paragraph 16.4 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Contractor, as appropriate, shall require of the Architect, Architect's consultants, separate contractors described in Article 11, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein.~~ The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

16.5.2 A loss insured under the Owner's property insurance shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgage clause. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their sub-subcontractors in similar manner.

ARTICLE 17 CORRECTION OF WORK

Owner

17.1 The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense.

17.2 In addition to the Contractor's obligations under Paragraph 8.4, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Subparagraph 14.4.2, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it



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promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty.

17.3 If the Contractor fails to correct nonconforming Work within a reasonable time, the Owner may correct it in accordance with Paragraph 7.3.

17.4 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work.

17.5 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Article 17.

ARTICLE 18 MISCELLANEOUS PROVISIONS

18.1 ASSIGNMENT OF CONTRACT

Neither party to the Contract shall assign the Contract without written consent of the other.

18.2 GOVERNING LAW

The Contract shall be governed by the law of the place where the Project is located.

18.3 TESTS AND INSPECTIONS

~~Tests, inspections and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations or orders of public authorities having jurisdiction shall be made at an appropriate time. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections or approvals which do not become requirements until after bids are received or negotiations concluded.~~

18.4 COMMENCEMENT OF STATUTORY LIMITATION PERIOD

As between Owner and Contractor, any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued:

- 1 not later than the date of Substantial Completion for acts or failures to act occurring prior to the relevant date of Substantial Completion;
- 2 not later than the date of issuance of the final Certificate for Payment for acts or failures to act occurring subsequent to the relevant date of Substantial Completion and prior to the issuance of the final Certificate for Payment; and
- 3 not later than the date of the relevant act or failure to act by the Contractor for acts or failures to act occurring after the date of the final Certificate for Payment.



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ARTICLE 19 TERMINATION OF THE CONTRACT

19.1 TERMINATION BY THE CONTRACTOR

If the ~~Architect~~ ^{Owner} fails to recommend payment for a period of 30 days through no fault of the Contractor, or if the Owner fails to make payment thereon for a period of 30 days, the Contractor may, upon seven additional days' written notice to the Owner ~~and the Architect~~, terminate the

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Contract and recover from the Owner payment for Work executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery, including reasonable overhead, profit and damages applicable to the Project.

19.2 TERMINATION BY THE OWNER

19.2.1 The Owner may terminate the Contract if the Contractor:

1. persistently or repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
2. fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;
3. persistently disregards laws, ordinances, or rules, regulations or orders of a public authority having jurisdiction; or
4. otherwise is guilty of substantial breach of a provision of the Contract Documents.

19.2.2 When any of the above reasons exists, the Owner, ~~upon certification by the Architect that sufficient cause exists to justify such action;~~ may, without prejudice to any other remedy the Owner may have and after giving the Contractor seven days' written notice, terminate the Contract and take possession of the site and of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor and may finish the Work by whatever reasonable method the Owner may deem expedient. Upon request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

19.2.3 When the Owner terminates the Contract for one of the reasons stated in Subparagraph 19.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

19.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, ~~including compensation for the Architect's services and expenses made necessary thereby,~~ and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. ~~The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Architect, upon application, and this obligation for payment shall survive termination of the Contract.~~
Contractor & Owner



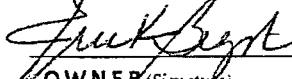
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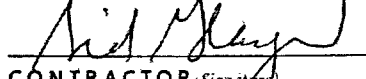
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ARTICLE 20 OTHER CONDITIONS OR PROVISIONS

This Agreement entered into as of the day and year first written above.
SHIPWATCH HORIZONTAL PROPERTY REGIME GLASGOW ROOFING COMPANY, INC.


OWNER (Signature)


CONTRACTOR (Signature)

ERIC K. BERGSTROM, VP
(Printed name and title)

SID GLASGOW, PRESIDENT
(Printed name and title)

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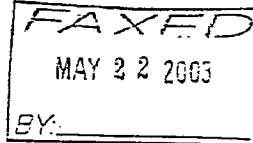
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Glasgow Roofing Co., Inc.
P. O. Box 60820
N. Charleston, SC 29419-0820
(843) 572-3490
FAX: 569-0902

May 21, 2003

Ms. Gloria May
Shipwatch Horizontal Property Regime
7600 Palmetto Drive
Isle of Palms, SC 29451



RE: Shipwatch Condominiums
Isle of Palms, SC

Ms. May:

We are pleased to quote you a price for reroofing on the above referenced project. Our quote includes the following work.

Modified Bitumen Roofing on Flat Roof

- Tearoff and proper disposal of the existing EPDM roof system.
- Prime existing concrete deck.
- Hot mop 1 layer of 1 1/2" polyisocyanurate insulation to the concrete deck.
- Install a tapered insulation system sloped 1/4" per foot with a 1/2" perlite overlay.
- SBS interply membrane with granulated FR cap sheet.
- Parapet, vent, curb, drain and equipment support flashing.
- Manufacturer's 20-year total system warranty.

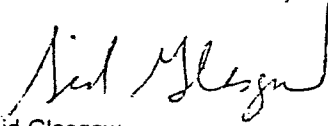
We propose to complete the above work including labor, material, tax and insurance for:

Seventy Three Thousand Fifty-Two Dollars and No/100. (73,052.00) ea.

Thank you for the opportunity to quote your project and if you have any questions after review please do not hesitate to call.

Sincerely,

GLASGOW ROOFING CO., INC.

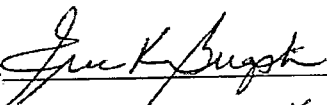

Sid Glasgow
SG:ism

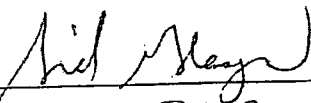
LIQUIDATED DAMAGES AND EARLY COMPLETION AWARD

1. The undersigned further agrees that from the compensation to be paid, the Owner shall retain as **Step One Liquidated Damages** the amount of **\$ 250.00** for each working day the actual construction time required to achieve **SUBSTANTIAL COMPLETION** exceeds the specified or adjusted Contract time for **SUBSTANTIAL COMPLETION**, as provided in the Contract Documents. Liquidated damage amount not to exceed \$10,000.00. The \$250.00 per day liquidated damages shall apply to each building. The \$10,000.00 cap shall apply to the total contract.
2. The undersigned further agrees that in full and complete satisfaction for the best efforts of the undersigned to achieve **SUBSTANTIAL COMPLETION** before the date established above, the Owner shall pay the undersigned an **Early Completion Award** in the amount of **\$ 250.00** for each working day the actual construction time required to achieve **SUBSTANTIAL COMPLETION** is less than the originally specified Contract time for **SUBSTANTIAL COMPLETION**, as provided in the Contract Documents. Early Completion Award not to exceed \$10,000.00. The \$250.00 per day early completion bonus shall apply to each building. The \$10,000.00 cap shall apply to the total contract.

SHIPWATCH HORIZONTAL PROPERTY
REGIME

GLASGOW ROOFING CO., INC.

By: 
Printed Name & Title: ERIC K. BEEGSTROM
Date: 8/4/04

By: 
Printed Name & Title: Sid Glasgow Pres
Date: 6/18/04

PRELIMINARY SCOPE OF WORK/OPINION OF CONSTRUCTION COSTS
SHIPWATCH AT WILD DUNES CONDOMINIUMS, ISLE OF PALMS, SOUTH CAROLINA
SKA PROJECT NO. 090432.3

OCEAN SIDE ELEVATIONS

A. Base Scope

Item

1. Remove existing DEFS cladding and underlying cement board sheathing back to existing metal studs on all ocean side elevation walls. Work includes main building walls (between doors and windows), balcony dividing walls, and all chimney surfaces.
2. Remove existing BIFS cladding and underlying gypsum board sheathing back to existing metal studs on all ocean side elevation walls. Work includes main building walls (between doors and windows) and balcony dividing walls.
3. Install supplemental metal stud framing (track and stud) at all sliding door and fixed window jambs.
4. Install supplemental metal stud framing (sistered stud) at each existing stud at all dividing walls and buildings walls.
5. Remove and dispose of existing old sliding doors and fixed windows.
6. Temporarily remove and store for reinstallation existing EFCO sliding doors and fixed windows.
7. Install new concrete curbs one inch above the finished balcony surface at all sliding door and fixed window locations. 352 locations
8. Install new sill pan flashings on concrete curbs.
9. Install new hard coat stucco cladding on all ocean side elevation walls. System includes new gypsum sheathing, new liquid applied air/moisture barrier, new metal lath and new 7/8-inch thick hard coat stucco.
10. Create new 1/2-inch wide expansion joints and install backer rod and sealant at the perimeter of each sliding glass door and fixed window, and at ceiling-to-wall intersection.
11. Wrap new air/moisture barrier and install new membrane flashing into the rough openings of windows and doors.
12. Install new stainless steel through wall flashing and membrane flashing at balcony wall-to-slab transitions. Install a new strip of deck coating. Deck coating to extend 6 inches onto wall sheathing and 12 inches onto balcony slab.
13. Install new flashings at chimneys.
14. Install new EFCO sliding glass doors and fixed windows.
15. Reinstall existing stored EFCO sliding doors and fixed windows.
16. Install new backer rod and sealant at all wall cladding penetrations including light fixtures, electrical outlets, and vents.
17. Remove spark arrestors on each chimney and replace with new water resistant fixtures.
18. Repair isolated locations of delaminated balcony deck coatings.

B. Additional Scope Items

Item

1. Remove and replace handrails on all balconies.
2. Install new urethane top coating over all balcony slab surfaces.
3. Remove existing loose and delaminated paint coatings on balcony ceilings and install new breathable coating.

STREET SIDE ELEVATIONS

A. Base Scope (Fifth Floor Balcony Repairs)

Item

1. Remove existing DEFS cladding and underlying cement board sheathing back to existing metal studs around sliding doors.
2. Install supplemental metal stud framing (track and stud) at all sliding door jambs.
3. Temporarily remove and store for reinstallation existing EFCO sliding doors.
4. Remove and discard existing old sliding doors
5. Install new concrete curbs 1-inch above the finished balcony surface at all sliding door locations.
6. Install new sill pan flashings on concrete curbs

7.	Install new hard coat stucco cladding around sliding doors. System includes new gypsum sheathing, new liquid applied air/moisture barrier, new metal lath and new 7/8-inch thick hard coat stucco.
8.	Create new 1/2-inch wide expansion joints and install backer rod and sealant at the perimeter of each sliding glass door, at ceiling-to-wall intersection, and at intersection of balcony dividing wall.
9.	Wrap new air/moisture barrier and install new membrane flashing into the rough openings of doors.
10.	Install new stainless steel through wall flashing and membrane flashing at balcony wall-to-slab transitions. Install a new strip of deck coating. Deck coating to extend 6 inches onto wall sheathing and 12 inches onto balcony slab.
11.	Remove 6-inch wide strip of existing DEFS cladding back to cement board sheathing along bottom of guard wall (adjacent to railing). Salvage existing Tyvek. Install new stainless steel enclosure to wrap bottom of wall. Replace DEFS.
12. a.	
	(1) Remove existing DEFS cladding back to underlying cement board sheathing.
	(2) Install new hard coat stucco cladding. System includes new liquid applied air/moisture barrier, new metal lath and new 7/8-inch thick hard coat stucco.
	(3) Install new stainless steel through wall flashing and membrane flashing at balcony wall-to-slab transitions. Install a new strip of deck coating. Deck coating to extend 6 inches onto wall sheathing and 12 inches onto balcony slab.
12. b.	
	(1) Identify the location of all existing studs (16 inches on-center). Install new supplemental fasteners through DEFS at eight inches on center into each stud. Install new basecoat and mesh over fastener heads. 4,140 ea
	(2) Remove a 1-foot wide strip of DEFS cladding directly above balcony slab back to cement board sheathing. Salvage existing Tyvek. Install new strip of deck coating to extend 6 inches onto cement board sheathing and 12 inches onto balcony slab. Install new stainless steel through-wall flashing and membrane flashing.
	(3) Remove a 6-inch wide strip of DEFS cladding adjacent to building wall back to cement board sheathing. Salvage existing Tyvek and install new membrane flashing to tie in with building wall repairs.
	(4) Replace DEFS cladding at removed locations.
	(5) Install new finish coat over all DEFS surfaces.
B. Additional Scope Items	
Item	
1.	Remove and replace handrails on floors 1 through 5.
2.	Install new urethane top coating over all balcony and breezeway slab surfaces of floors 1 through 5.
3.	Remove existing loose and delaminated paint coatings on balcony and breezeway ceilings and install new breathable coating on floors 1 through 4.
4.	
a.	Remove existing EIFS cladding back to existing underlying gypsum board sheathing on floors 1 through 4. Replace damaged sheathing sections.
b.	Remove existing sliding windows on the level 1 through 4 breezeways. Install new membrane flashing at jambs, new sill pan flashing, and new head flashing. Install new EFCO sliding windows.
c.	Install new hard coat stucco cladding on all street side elevation walls of floors 1 through 4. System includes new liquid applied air/moisture barrier, new metal lath and new 7/8-inch thick hard coat stucco.
d.	Create new 1/2-inch wide expansion joints and install backer rod and sealant at the perimeter of each sliding window, door, and at ceiling-to-wall intersections.
e.	Install new stainless steel through wall flashing and membrane flashing at breezeway balcony wall-to-slab transitions. Install a new strip of deck coating. Deck coating to extend 6 inches onto wall sheathing and 12 inches onto balcony slab.
f.	Install new backer rod and sealant at all wall cladding penetrations including light fixtures, electrical outlets, and vents.
g.	Repair or replace metal doors at storage and trash areas.
5.	Curtain wall replacement. Remove and dispose of all existing curtain wall units at each elevator. Install new structural steel support member at each floor line. Install new aluminum framed curtain wall units including all flashings

END WALL ELEVATIONS

A. Base Scope

Item	
1.	Corner Balconies
a.	Remove existing DEFS cladding and underlying cement board sheathing back to metal stud framing on all corner balconies. Continue removal in a 12-inch wide continuous strip at adjacent CMU stairwell walls.
b.	Replace damaged interior sheathing and metal studs.
c.	Remove and dispose of all old sliding glass doors.
d.	Install new supplemental jamb studs (track and stud) at each door jamb.
e.	Install new concrete curbs 1-inch above the finished balcony surface at all sliding door locations. 24ea
f.	Install new sill pan flashings on concrete curbs. 24ea
g.	Install new hard coat stucco cladding. System includes new gypsum sheathing, new liquid applied air/moisture barrier, new metal lath and new 7/8-inch thick hard coat
h.	Create new 1/2-inch wide expansion joints and install backer rod and sealant at the perimeter of each sliding glass door and at ceiling-to-wall intersection.
i.	Wrap new air/moisture barrier and install new membrane flashing into the rough openings of doors.
j.	Install new stainless steel through wall flashing and membrane flashing at balcony wall-to-slab transitions. Install a new strip of deck coating. Deck coating to extend 6 inches onto wall sheathing and 12 inches onto balcony slab.
k.	Install a new membrane flashing over expansion joint between the stairwell and main building wall for the full height of the building. Create new 1/2-inch wide expansion joint in new cladding at existing joint.
l.	Install new EFCO doors.
m.	Install new backer rod and sealant at all wall cladding penetrations including light fixtures, electrical outlets, and vents.
2.	DEFS Cladding Replacement
a.	Remove all existing DEFS cladding on end wall surfaces levels 1 through 5 back to underlying cement board sheathing.
b.	Remove existing 16-inch wide strip of cement board sheathing adjacent to all bay and horizontal sliding window jambs. Install new supplemental jamb studs (sistered stud) at each jamb. Replace sheathing.
c.	Temporarily remove existing EFCO bay windows and store for reinstallation.
d.	Remove and dispose of old bay windows.
e.	Temporarily remove all horizontal sliding EFCO windows and store for reinstallation.
f.	Install new stainless steel sill pan flashing at each window (bay and horizontal sliding). 440 ft.
g.	Install new stainless steel head flashings at each window (bay and horizontal sliding).
h.	Install new hard coat stucco cladding. System includes new liquid applied air/moisture barrier, new metal lath and new 7/8-inch thick hard coat stucco.
i.	Install new through wall flashing, membrane flashing, and casing beads at horizontal floor lines on levels 1 through 3.
j.	Install new through wall flashing, membrane flashing, and casing beads at bottom of walls above parking garage.
k.	Install new control joints above window heads and sills.
l.	Wrap the new air/moisture barrier and install membrane flashings into the rough openings of each window (bay and horizontal sliding). 72ea
m.	Install new stainless steel through wall flashing above fourth floor mansard roof.
n.	Install new stainless steel kick-out flashings at each end of mansard roof.
o.	Install 2 new vertical control joints in stucco at 20-ft centers.
p.	Reinstall existing stored EFCO bay windows.
q.	Install new EFCO bay windows.
r.	Reinstall existing stored EFCO horizontal sliding windows.
s.	Install new backer rod and sealant at all wall cladding penetrations including light fixtures, electrical outlets, vents and window perimeters.

Paint Scope

Item

DEFS Cladding Repairs

- a. Remove existing DEFS cladding and underlying cement board sheathing back to existing metal studs above and below bay windows. Install new gypsum sheathing and new liquid-applied air/moisture barrier.
- b. Remove 1-foot wide strip of existing DEFS cladding and underlying cement board sheathing back to existing metal studs along each "drop" at bay window jambs. Install new supplemental metal stud framing (new "sistered" stud) adjacent to bay windows. Install new gypsum sheathing and new liquid-applied air/moisture barrier.
- c. Remove 1-foot wide strip of existing DEFS cladding and underlying cement board sheathing back to existing metal studs/floor slab at each floor line joint on levels 1 through 3. Replace cement board sheathing leaving 3/4-inch wide expansion joint at bottom of floor slab and install new membrane flashing over joint. Install new air/moisture barrier, new control joint accessory and new stainless steel through wall flashing at each floor joint.
- d. Remove 1-foot wide strip of existing DEFS cladding back to underlying cement board sheathing along the full length of the top edge of the 4th floor mansard roof. Install new continuous through-wall flashing and membrane flashing to lap over the existing mansard roof.
- e. Remove 4 square foot area of existing DEFS cladding back to underlying cement board sheathing at the far end of the mansard roof on both sides. Install new stainless steel kickout flashings and membrane flashings. 64 sf
- f. Remove 6-inch wide strip of existing DEFS cladding back to underlying cement board sheathing along the bottom of the wall above the garage entrance. Install new continuous through wall flashing and membrane flashing.
- g. Remove 1-foot wide strip of existing DEFS cladding back to underlying cement board sheathing around the perimeter of all horizontal sliding windows on floors 1 through 5. Install new supplemental jamb stud at each window and replace sheathing.
- h. Remove 6-inch wide strip of existing DEFS cladding back to underlying cement board sheathing at each existing vertical control joint above and below fifth floor windows. Install new control joint accessory.
- i. Temporarily remove existing EFCO bay windows and store for reinstallation.
- j. Temporarily remove existing EFCO horizontal sliding windows and store for reinstallation.
- k. Remove and dispose of old bay windows.
- l. Install new head flashing at each window (bay and horizontal sliding). 72 ea
- m. Install new stainless steel pan flashing at each window (bay and horizontal sliding). 440 lf
- n. Salvage existing Tyvek for tie-in to new moisture barrier at all demolished areas.
- o. Install new vertical control joint at 2 locations on levels 1 through 3. 16 ea
- p. Reinstall existing stored EFCO bay windows.
- q. Reinstall existing stored EFCO horizontal sliding windows.
- r. Install new EFCO bay windows.
- s. Identify the location of all existing studs (16 inches on center). Install new supplemental fasteners through DEFS at eight inches on center into each stud. Install new basecoat and mesh over fastener heads. 15,200 ea
- t. Replace DEFS cladding at removed locations.
- u. Install new finish coat over all DEFS surfaces.

C. Additional Scope Items

Item

1. Remove and replace handrails on all corner balconies.
2. Install new top coating over all corner balcony surfaces.
3. Remove existing paint coatings on all breezeway ceilings. Install new breathable coating.

MISCELLANEOUS ADDITIONAL SCOPE ITEMS

Item

1. Replace mansard roof panels
2. Install new and replace existing gutters on level 5 street side floor slab including the stair buildings and elevator. Install new drip edge metal flashing and strip-in 1-foot of new deck coating.
3. Install new gutters on level 5 balconies at the mansard roof overhangs on the ocean and street elevations.

SUMMARY OF COSTS	
General Conditions	
Staging, Insurance, Project Manager, Superintendent, Trailer, Dumpster, Bonds, Landscaping etc.	
Ocean Side Repairs	
Base Scope	
Handrails	
Deck Coating	
Ceiling	
Street Side Repairs	
Base Scope With Dividing Wall Replacement	
Base Scope With Dividing Wall Repair (Alternate)	
Handrails	
Deck Coating	
Ceiling	
Breezeway EIFS	
Curtain Walls	
End Wall Repairs	
Corner Balconies and End Wall DEFS Replacement	
Corner Balconies and End Wall DEFS Repair (Alternate)	
Corner Balcony Handrails	
Corner Balcony Deck Coating	
Corner Balcony Ceilings	
Miscellaneous Repairs	
Mansard Roof	
Fifth Floor Slab Edge	
Fifth Floor Balcony Gutters	
Construction Totals (With DEFS Replacement Options)	
Construction Total (With DEFS Repair Options)	
Construction Contingency (10%)	
Engineering - Design, Bidding, Construction Administration	

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification.

STANDARD FORM OF AGREEMENT BETWEEN OWNER AND CONTRACTOR ON THE BASIS OF A STIPULATED PRICE

Prepared by

ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

and

Issued and Published Jointly By


**AMERICAN CONSULTING
ENGINEERS COUNCIL**


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This document has been approved and endorsed by

The Associated General



Contractors of America

Construction Specifications Institute



This Standard Form of Agreement has been prepared for use with the Standard General Conditions of the Construction Contract (No. 1910-8, 1996 Edition). Their provisions are interrelated, and a change in one may necessitate a change in the other. The suggested language for instructions of bidders contained in the Guide to the Preparation of Instructions to Bidders (No. 1910-12, 1996 Edition) is also carefully interrelated with the language of this Agreement. Comments concerning their usage are contained in the EJCDC User's Guide (No. 1910-50). See also Guide to the Preparation of Supplementary Conditions (No. 1910-17, 1996 Edition).

EJCDC No. 1910-8-A-1 (1996 Edition)

Note to User

Certain states and federal agencies require provisions in public contracts which permit Contractors to deposit acceptable securities with Owner or a stakeholder in lieu of retainage. Many Owners will not accept this procedure except where required by Laws or Regulations. In the event such a procedure is required, the provisions of this Agreement and possibly those of the other Contract Documents dealing with retainage should be amended, and an attorney should be consulted to prepare the revised language. Among the issues to be addressed by such language are: initial and subsequent valuations of the securities, right to withdraw excess collateral and obligation to deposit additional collateral as market value changes, who is entitled to interest and dividends on deposited collateral, responsibilities of stakeholder, may collateral be freely sold in the event of Contractor default and method of such sale, and application of Uniform Commercial Code and state and federal security laws to the arrangement.

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345 East 47th Street, New York, NY 10017

Introduction

This Agreement between Owner and Contractor on the Basis of a Stipulated Price ("Agreement") has been prepared for use with the Guide to the Preparation of Instructions to Bidders ("Instructions") (No. 1910-12, 1996 Edition) and with the Standard General Conditions of the Construction Contract ("General Conditions") (No. 1910-8, 1996 Edition). Their provisions are interrelated, and a change in one may necessitate a change in the others. Comments concerning their usage are contained in the Commentary on Agreements for Engineering Services and Construction Related Documents ("Commentary") (No. 1910-9, 1996 Edition). For guidance in the preparation of Supplementary Conditions and coordination with Instructions to Bidders, see Guide to the Preparation of Supplementary Conditions ("Supplementary Conditions") (No. 1910-17, 1996 Edition). See also Guide to Preparation of the Bid Form ("Bid Form") (No. 1910-18, 1996 Edition). The EJCDC has not prepared a suggested form of Advertisement or Invitation to Bid because such documents will vary widely in response to statutory requirements.

This form and the other Bidding Documents prepared and issued by the EJCDC assume acceptance of the Project Manual concept of the Construction Specifications Institute which provides for an organizational format for location of all bound documentary information for a construction project, namely: Bidding Requirements (which term refers to the Advertisement or Invitation to Bid, the Instructions, and any bid form that may be suggested or prescribed, all of which provide information and guidance for all Bidders) and the Contract Documents (defined in Article 1 of the General Conditions), which include the Agreement, Bonds and Certificates, the General Conditions, the Supplementary Conditions, the Drawings, and the Specifications. The Bidding Requirements are not considered part of the Contract Documents because much of their substance pertains to the relationships prior to the award of the Contract and has little effect or impact thereafter and because many contracts are awarded without going through the bidding process. In some cases, however, the actual Bid may be attached as an exhibit to the Agreement to avoid extensive retyping. (The terms "Bidding Documents" and "Bidding Requirements" are defined in Article 1 of the General Conditions.) The Project Manual concept is explained in the *Manual of Practice* issued by the Construction Specifications Institute.

Suggested language is presented herein with "Notes to User" to assist in preparing the Agreement. Much of the language should be usable on most projects, but modifications and additional provisions will often be necessary. The suggested language has been coordinated with the other standard forms produced by the EJCDC. When modifying the suggested language or writing additional provisions, the user must check the other documents thoroughly for conflicts and coordination of language usage and make appropriate revisions in all affected documents.

For brevity, referenced paragraphs of the Instructions to Bidders with the prefix "I," those of the Bid Form with the prefix "BF," and those of this Agreement with the prefix "A."

Refer to Contract Documents Bibliography (No. 1910-24, 1996 Edition), which will be helpful in preparing the Agreement, and see in particular the discussions in EJCDC's *Recommended Competitive Bidding Procedures for Construction Projects* ("Bidding Procedures") (No. 1910-9-D, 1987 Edition) by Robert J. Smith, P.E., Esq., on the particular paragraphs of which frequent reference is made below.

NOTES:

1. EJCDC publications may be ordered from NSPE headquarters at 1420 King Street, Alexandria VA 22314-2715; or ACBC headquarters at 1015 15th Street NW, Washington DC 20005; or ASCE headquarters at 345 East 47th Street, New York NY 10017.
2. CSI publications may be ordered from CSI headquarters at 601 Madison Street, Alexandria VA 22314.
3. AIA publications may be obtained from most local AIA chapter offices or by writing to AIA headquarters at 1735 New York Avenue NW, Washington, DC 20006.
4. The Associated General Contractors of America has a series of construction related documents which may be of interest. The AGC's Publications and Services Catalog may be obtained from AGC headquarters at 1957 E Street NW, Washington, DC 20006.

**EJCDC
STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE**

THIS AGREEMENT is by and between Shipwatch at Wild Dunes Homeowners Association
(hereinafter called **OWNER**) and Charlotte Paint Co. Inc., dba Pro-Tec Finishes
(hereinafter called **CONTRACTOR**).

OWNER and **CONTRACTOR**, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 - WORK

1.01 **CONTRACTOR** shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

Phase 1 Repairs at buildings C and D.

1. Removal and disposal of existing windows, sliding glass doors, standing seam metal roof system, aluminum handrails, EIFS cladding system, and DEFS cladding system.
2. Installation of new sliding glass doors, windows, curtain walls, standing seam metal roof system; aluminum handrails, and hardcoat stucco cladding.
3. Installation of new deck coatings.
4. Installation of new flashings.
5. Painting of breezeway/balcony ceilings.
6. Metal stud framing repairs.

ARTICLE 2 - THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows:

All work as described in "Project Manual - Construction Documents, Building Envelope Remediation for Shipwatch at Wild Dunes," dated June 2013; Addendum No. 1, dated May 10, 2013; and Project Drawings titled, "Building Envelope Remediation for Shipwatch at Wild Dunes," dated June 2013.

ARTICLE 3 - ENGINEER

3.01 The Project has been designed by

SKA Consulting Engineers, Inc.

who is hereinafter called **ENGINEER** and who is to act as **OWNER's** representative, assume all duties and responsibilities, and have the rights and authority assigned to **ENGINEER** in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 - CONTRACT TIMES

4.01 Time of the Essence

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 Dates for Substantial Completion and Final Payment

A. The Work will be substantially completed on or before May 15, 2014, and completed and ready for final payment in accordance with paragraph 14.07 of the General Conditions on or before May 31, 2014.

[or]

4.02 Days to Achieve Substantial Completion and Final Payment

A. The Work will be substantially completed within _____ days after the date when the Contract Times commence to run as provided in paragraph 2.03 of the General Conditions, and completed and ready for final payment in accordance with paragraph 14.07 of the General Conditions within _____ days after the date when the Contract Times commence to run.

4.03 Liquidated Damages

A. CONTRACTOR and OWNER recognize that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not completed within the times specified in paragraph 4.02 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by OWNER if the Work is not completed on time. Accordingly, instead of requiring any such proof, OWNER and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty), CONTRACTOR shall pay OWNER \$ 750 for each day that expires after the time specified in paragraph 4.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if CONTRACTOR shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by OWNER, CONTRACTOR shall pay OWNER \$ 750 for each day that expires after the time specified in paragraph 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment.

~~NOTE TO USER~~

- ~~1. Where failure to reach a Milestone on time is of such consequence that the assessment of liquidated damages for failure to reach one or more Milestones on time is to be provided, appropriate amending or supplementing language should be inserted here.~~

ARTICLE 5 - CONTRACT PRICE

5.01 OWNER shall pay CONTRACTOR for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to paragraphs 5.01.A, 5.01.B, and ~~5.01.C~~ below:

A. For all Work including Unit Price Work, a Lump Sum of:

Five million, six hundred seventy one thousand, nine hundred and twenty three dollars.

(use words)

(\$5,671,923.00)

(figure)

All specific cash allowances are included in the above price and have been computed in accordance with paragraph 11.02 of the General Conditions. Cash allowances include \$25,000 for water testing, \$50,000 for electrical repairs, \$5,000 for replacing damaged light fixtures.

B. For all Unit Price Work, an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the estimated quantity of that item as indicated in this paragraph 5.01.B:

UNIT PRICE WORK

No.	Item	Unit	Estimated Quantity	Unit Price	Total Estimated

(See attached Bid Form for unit rates and quantities that can adjust lump sum cost up or down.)

TOTAL OF ALL UNIT PRICES \$ _____ (dollars)
(use words)

As provided in paragraph 11.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by ENGINEER as provided in paragraph 9.08 of the General Conditions. Unit prices have been computed as provided in paragraph 11.03 of the General Conditions.

~~C. For all Work, at the prices stated in CONTRACTOR's Bid, attached hereto as an exhibit.~~

NOTES TO USER

- ~~1. If adjustment prices for variations from stipulated Base Bid quantities have been agreed to, insert appropriate provisions. See DF-4.~~
- ~~2. Depending upon the particular project bid form used, use A-5.01.A alone, A-5.01.A and A-5.01.B together, A-5.01.B alone, or A-5.01.C alone, deleting those not used and renumbering accordingly. If A-5.01.C is used, CONTRACTOR's Bid is attached as an exhibit and listed in A-9.~~

ARTICLE 6 - PAYMENT PROCEDURES

6.01 Submittal and Processing of Payments

A. CONTRACTOR shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by ENGINEER as provided in the General Conditions.

6.02 Progress Payments; Retainage

A. OWNER shall make progress payments on account of the Contract Price on the basis of CONTRACTOR's Applications for Payment on or about the 10th day of each month during performance of the Work as provided in paragraphs 6.02.A.1 and 6.02.A.2 below. All such payments will be measured by the schedule of values established in paragraph 2.07.A of the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements:

1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as ENGINEER may determine or OWNER may withhold, in accordance with paragraph 14.02 of the General Conditions:

a. 90 % of Work completed (with the balance being retainage). If the Work has been 50% completed as determined by ENGINEER, and if the character and progress of the Work have been satisfactory to OWNER and ENGINEER, OWNER, on recommendation of ENGINEER, may determine that as long as the character and progress of the Work remain satisfactory to them, there will be no retainage on account of Work subsequently completed, in which case the remaining progress payments prior to Substantial Completion will be in an amount equal to 100% of the Work completed less the aggregate of payments previously made; and

b. 90 % of cost of materials and equipment not incorporated in the Work (with the balance being retainage).

2. Upon Substantial Completion, OWNER shall pay an amount sufficient to increase total payments to CONTRACTOR to 100 % of the Work completed, less such amounts as ENGINEER shall determine in accordance with paragraph 14.02.B.5 of the General Conditions and less 100 % of ENGINEER's estimate of the value of Work to be completed or corrected as shown on the tentative list of items to be completed or corrected attached to the certificate of Substantial Completion.

6.03 Final Payment

A. Upon final completion and acceptance of the Work in accordance with paragraph 14.07 of the General Conditions, OWNER shall pay the remainder of the Contract Price as recommended by ENGINEER as provided in said paragraph 14.07.

ARTICLE 7 - INTEREST

7.01 All moneys not paid when due as provided in Article 14 of the General Conditions shall bear interest at the rate of 5 % per annum.

ARTICLE 8 - CONTRACTOR'S REPRESENTATIONS

8.01 In order to induce OWNER to enter into this Agreement CONTRACTOR makes the following representations:

A. CONTRACTOR has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

B. CONTRACTOR has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. CONTRACTOR is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

~~D. CONTRACTOR has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions and (2) reports and drawings of a Hazardous Environmental Condition, if any, at the Site which has been identified in the Supplementary Conditions as provided in paragraph 4.06 of the General Conditions.~~

~~NOTE TO USER~~

~~1. If the reports and/or drawings referred to in A-8.01.D do not exist, either modify A-8.01.D or delete A-8.01.D and renumber accordingly.~~

~~E. CONTRACTOR has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by CONTRACTOR, including applying the specific means, methods, techniques, sequences, and procedures of construction, if any, expressly required by the Contract Documents to be employed by CONTRACTOR, and safety precautions and programs incident thereto.~~

~~NOTE TO USER~~

~~1. If the reports and/or drawings referred to in A-8.01.D do not exist, delete the phrase "additional or supplementary" in the first sentence of A-8.01.E.~~

F. CONTRACTOR does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

G. CONTRACTOR is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Contract Documents.

H. CONTRACTOR has correlated the information known to CONTRACTOR, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.

I. CONTRACTOR has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that CONTRACTOR has discovered in the Contract Documents, and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

J. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

9.01 Contents

1. This Agreement (pages 1 to 8, inclusive);
2. Performance Bond (pages to , inclusive);
3. Payment Bond (pages to , inclusive);
4. Other Bonds (pages to , inclusive);
 - a. N/A (pages to , inclusive);
 - b. N/A (pages to , inclusive);
 - c. N/A (pages to , inclusive);
5. General Conditions (pages 1 to 41, inclusive); with noted modifications Revised
6. Supplementary Conditions (pages 1 to 8, inclusive);
7. Specifications as listed in the table of contents of the Project Manual;
8. Drawings consisting of a cover sheet and sheets numbered S1.1; S2.1-S2.8; S4.1-S4.8; S5.1-S5.2; S6.1-S6.7; S7.0-S7.6; S8.1-S8.4; S9.1; R1.1-R1.2; R2.1-R2.4, with each sheet bearing the following general title: Building Envelope Remediation for Shipwatch at Wild Dunes.
9. Addenda (numbers 1 to 1, inclusive);
10. Exhibits to this Agreement (enumerated as follows):
 - a. Notice of Award (pages 1 to 1, inclusive);
 - b. CONTRACTOR's Bid (pages 1 to 11, inclusive); with noted modifications.
 - c. ~~Documentation submitted by CONTRACTOR prior to Notice of Award (pages to , inclusive);~~
 - d. ;
11. The following which may be delivered or issued on or after the Effective Date of the Agreement and are attached hereto:
 - a. Written Amendments;
 - b. Work Change Directives;
 - c. Change Order(s).

C. There are no Contract Documents other than those listed above in this Article 9.

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D. The Contract Documents may only be amended, modified, or supplemented as provided in paragraph 3.05 of the General Conditions.

ARTICLE 10 - MISCELLANEOUS

10.01 Terms

A. Terms used in this Agreement will have the meanings indicated in the General Conditions.

10.02 Assignment of Contract

A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.03 Successors and Assigns

A. OWNER and CONTRACTOR each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 Severability

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon OWNER and CONTRACTOR, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

10.05 Other Provisions

~~NOTE TO USER~~

~~1. Insert other provisions here if applicable.~~

1. Alternate No. 4 (Neogard 7470 finish coat in lieu of 7430 finish coat) is included in the contract at \$0.00 cost.
2. No other alternates are included in the Contract.
3. Pro-Tec shall designate Roger Koehler as full time Project Manager on Project. Only a medical condition, employment termination, or Owner requirement will be acceptable cause for change in Project Manager.

IN WITNESS WHEREOF, OWNER and CONTRACTOR have signed this Agreement in duplicate. One counterpart each has been delivered to OWNER and CONTRACTOR. All portions of the Contract Documents have been signed or identified by OWNER and CONTRACTOR or on their behalf.

NOTE TO USER

1. See 1-21 and correlate procedures for format and signing between the two documents.

This Agreement will be effective on _____, _____ (which is the Effective Date of the Agreement).

OWNER:

Shipwatch at Wild Dunes Homeowners Association

By: _____

[CORPORATE SEAL]

Attest _____

Address for giving notices:

(If OWNER is a corporation, attach evidence of authority to sign. If OWNER is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of OWNER-CONTRACTOR Agreement.)

Designated Representative:

Name: _____

Title: _____

Address: _____

Phone: _____

Facsimile: _____

CONTRACTOR:

Charlotte Paint Co. Inc., dba Pro-Tec Finishes

By: _____

[CORPORATE SEAL]

Attest _____

Address for giving notices:

License No. _____
(Where applicable)

Agent for service of process: _____

(If CONTRACTOR is a corporation or a partnership, attach evidence of authority to sign.)

Designated Representative:

Name: _____

Title: _____

Address: _____

Phone: _____

Facsimile: _____

00500-8

BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA

SECTION 00 41 13

BID FORM - STIPULATED SUM (SINGLE-PRIME CONTRACT)

PART I - GENERAL

Name of Bidder: CHARLOTTE PAINT CO. INC., DBA PRO-TEC FINISHES
Business Address: PO BOX 7665
MT HOLLY NC 28120
Telephone No.: (704) 827-3330
License No.: SC GC 10674
Name of Contact: TERRY MCCAIN (704-621-7820)
TO: SHIPWATCH AT WILD DUNES

PHASE I - BUILDINGS C AND D ONLY

1. In submitting this Bid, the Bidder represents that:
 - A. The undersigned, having examined, compared, and familiarized himself with the Invitation to Bid, the instructions to Bidders, and the Contract Documents as prepared by SKA Consulting Engineers, Inc., and having examined the site of the work and familiarized himself with all conditions and requirements pertaining thereto, hereby proposes to furnish all material, labor, equipment, services, and transportation necessary to complete the work in accordance with the Contract Documents for the Project entitled:

Building Envelope Remediation
Shipwatch at Wild Dunes
Isle of Palms, South Carolina
 - B. Bidder has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, and studies which pertain to the physical conditions at the site or otherwise may affect the cost, progress, performance, or furnishing of the work as bidder considers necessary for the performance or furnishing of the work at the contract price, in accordance with the other terms and conditions of the Contract Documents, of the General Requirements, and no additional examinations, investigations, explorations, tests, reports or similar information or data are or will be required by bidder for such purposes.
 - C. Bidder has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing facilities at or contiguous to the site and assumes responsibility for the accurate location of said facilities. No additional examinations, investigations, explorations, tests, reports or similar information or data in respect of said facilities are or will be required by bidder in order to perform and furnish the work at the contract price, within the contract time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of the General Requirements.

00 41 1075
BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA

LUMP SUM ITEMS:

The Contractor shall provide the following lump sum costs, which will form a part of the total lump sum base bid. Estimated quantities are provided for the contractor's use. The contractor, however, shall perform his own quantity takeoffs in preparing his bid. Please note that the "Description of Items" listed below may not include a line item breakdown for all work required by the Project Documents. The Contractor shall include the cost of all work in these Lump Sum numbers, except for the specific items listed under Unit Rate Items and Cash Allowances.

<u>Description of Items</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Lump Sum</u>
General:			
1. General Conditions, bonds, mobilization, demobilization, insurance, permits, etc.	LS	N/A	\$ 904,568. ⁰⁰
2. Staging/Bullding Access	LS	N/A	\$ 394,324. ⁰⁰
Cladding Replacement:			
3. Remove and dispose of existing Exterior Insulation System (EIFS) and Direct Applied Exterior Finish System (DEFS) cladding, including all exterior sheathing, flashings and accessories back to existing framing. Install new 5/8-inch sheathing, moisture barrier, felt paper, metal lath, hardcoat stucco, stucco accessories, through-wall flashings, sealants, membrane flashings, closure flashings, and other miscellaneous items as shown on drawings.	42,000 SF	N/A	\$ 1,326,804. ⁰⁰
4. Remove EIFS cladding back to concrete on 4' wide ocean front privacy walls (floors grade through 3). Install new direct applied stucco, control joints, and weep screed at grade.	1,900 SF	N/A	\$ 290,608. ⁰⁰
Window and Door Replacement:			
5. Construct temporary interior demising walls and remove and dispose of existing fixed windows (W1) and concrete curb below window. Install new concrete curbs, rough opening flashings, metal head flashing, perimeter sealants, and new aluminum-framed, impact rated fixed windows.	72 EA	N/A	\$ 276,613. ⁰⁰
6. Construct temporary interior demising walls and remove and dispose of existing horizontal sliding windows (W2). Install new rough opening flashings, metal head flashing, perimeter sealants, and new aluminum-framed, impact rated single hung windows.	16 EA	N/A	\$ 19,836. ⁰⁰
7. Construct temporary interior demising walls and remove and dispose of existing horizontal sliding windows (W3). Install new rough opening flashings, metal head flashing, perimeter sealants, and new aluminum-framed, impact rated single hung windows.	72 EA	N/A	\$ 246,348. ⁰⁰

(\$ 249K Savings)

Mod. Fixed PV Intervan
5.30-13

**BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA**

<u>Description of Items</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Lump Sum</u>
Window and Door Replacement (Continued):			
8. Construct temporary interior demising walls and remove and dispose of existing sliding glass doors (D1 and D2) and concrete curbs below doors. Install new concrete curbs, rough opening flashings, metal head flashing, perimeter sealants, and new aluminum-framed, impact rated sliding glass doors.	132 EA	N/A	\$ <u>1,053,957.⁰⁰</u>
Bay Windows at End Walls:			
9. Construct temporary interior demising walls. Remove and dispose of existing aluminum-framed bay window units and metal stud framing and sheathing below windows. Install new rough opening flashings, stainless steel pan flashing, head flashing, and perimeter sealants. Install new aluminum-framed, impact rated floor-to-floor curtain wall units (CW-1). Install new hardcoat stucco and related flashings over the face of concrete floor slab between curtain wall units.	12 EA	N/A	\$ <u>193,757.⁰⁰</u>
Light Gauge Framing Repairs:			
10. Install new supplemental jamb studs at each side of opening at W1 fixed windows and D4 steel doors.	147 EA	N/A	\$ <u>26,132.⁰⁰</u>
11. Install new supplemental jamb studs at each side and jack studs/clip angles at head tracks at D3 steel doors.	56 EA	N/A	\$ <u>19,223.⁰⁰</u>
12. Install new supplemental jamb studs at each side and new jack studs/clip angles at each corner at W2 windows.	16 EA	N/A	\$ <u>42,17.⁰⁰</u>
13. Install new supplemental jamb studs at each side, new supplemental tracks at head and sill, and clip angles at each corner at W3 windows.	72 EA	N/A	\$ <u>18,978.⁰⁰</u>
Balcony and Breezeways:			
14. Remove and dispose of portions of existing guard walls on 5 th floor street side balconies. Construct new guard walls consisting of HSS tubes, steel angle/plates, metal stud framing, sheathing, flashings, metal coping, and hardcoat stucco.	32 EA	N/A	\$ <u>49,824.⁰⁰</u>
15. Remove and dispose of existing guard walls on 1 st , 2 nd , 3 rd , 4 th , and 5 th floor ocean side/end wall balconies. Construct new guard walls consisting of HSS tubes, steel angle/plates, metal stud framing, sheathing, flashings, deck coating, metal coping, and hardcoat stucco.	20 EA	N/A	\$ <u>45,852.⁰⁰</u>

Modified per 5.30.13 Interview (Savings)

**BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA**

<u>Description of Items</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Lump Sum</u>
Balcony and Breezeways (Continued):			
16. Remove and dispose of all existing handrails. Core and patch existing handrail posts pockets. Install new plate-mounted aluminum handrails.	2,500 LF	N/A	\$ <u>279,282.⁰⁰</u>
17. Remove existing U-shaped guard walls and install new plate-mounted aluminum handrails on 5 th floor street side balconies between each unit.	160 LF	N/A	\$ <u>17,384.⁰⁰</u>
18. Pressure wash existing deck coating system and install new deck coating (repair type "A" and "B") at breezeway doors, stairwell landings, and elsewhere. Install new deck coating (repair type "C") over all balcony and breezeway horizontal surfaces.	24,000 SF	N/A	\$ <u>48,843.⁰⁰</u>
19. Install new 6" wide horizontal and 6" wide vertical deck coating (Repair Type B") at bottom of all stucco wall bases (metal stud, concrete, CMU framed walls). Install new stainless steel through-wall flashing, membrane flashing, termination bar, and sealant joints.	4,000 LF	N/A	\$ <u>23,294.⁰⁰</u>
20. Clean surfaces and Install new balcony/breezeway coating on all concrete ceiling areas.	24,000 SF	N/A	\$ <u>29,424.⁰⁰</u>
21. Install new OSHA compliant fall safety line along the 5th floor street side balcony edge.	200 LF	N/A	\$ <u>6,130.⁰⁰</u>
22. Remove existing flashings, gutters, and deck coating and notch existing slab at outer edge of 5 th floor street side balconies. Install new PT blocking, membrane flashings, metal flashings, drip edge flashing, closure flashing, and deck coating.	230 LF	\$ <u>32.⁰⁰ LF</u>	\$ <u>7,360.⁰⁰</u>
Roofing:			
23. Remove and dispose of existing standing seam metal roofing down to original plywood roof decking on buildings C and D. Install new pre-finished aluminum standing seam metal roofing, including roof membrane underlayment and all flashings, copings, counter-flashings, trim closures, sealants, and other materials as required for complete installation.	10,000 SF	N/A	\$ <u>226,172.⁰⁰</u>
24. Remove and dispose of existing standing seam metal roofing down to original plywood roof decking on the office, pool house, and pump room. Install new pre-finished aluminum standing seam metal roofing, including roof membrane underlayment and all flashings, copings, counter-flashings, trim closures, sealants and other materials as required for complete installation.	1,850 SF	N/A	\$ <u>36,208.⁰⁰</u>

Modified
Per 5-30-13
Interview (\$249K Savings)

00-77-1310
BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA

Description of Items

Quantity Unit Price Lump Sum

Roofing (Continued):

25. Remove existing and install new roof access ladders extending from 5 th floor street side balcony slab to main roof.	2 EA	N/A	\$ <u>3,923.⁰⁰</u>
26. Install new fully-adhered modified bitumen roof system at elevator tower, including tapered insulation, protection layer, and all flashings and accessories.	200 SF	N/A	\$ <u>2,808.⁰⁰</u>
27. Install new framing repairs at 5 th floor street side balcony knee walls	18 EA	<u>375.⁰⁰/EA</u>	\$ <u>6,750.⁰⁰</u>
28. Install new "sistered" rafters, blocking, and Simpson anchors at 4 th floor end wall attics.	3,400 SF	<u>12.²⁵/SF</u>	\$ <u>41,650.⁰⁰</u>

Miscellaneous:

29. Remove and dispose of existing hard coat stucco at corners of stairwells and elevator towers. Install new membrane flashings, through-wall flashings, tie-in flashings at wall-to-slab transitions, sealants, hardcoat stucco, and stucco accessories.	550 SF	N/A	\$ <u>13,375.⁰⁰</u>
30. Prepare surfaces and install new elastomeric coating over existing stucco at stairwell and elevator towers.	6,800 SF	N/A	\$ <u>12,505.⁰⁰</u>

UNIT RATE ITEMS:

The Contractor shall provide the following unit rates and lump sum prices for items included in the lump sum base bid. The unit prices shall apply throughout the life of the Contract. Unit prices shall be applied as appropriate to adjust the lump sum cost for the work up or down depending on the actual quantities encountered. Unit rate quantities that vary by 15 percent or more from those listed below entitle the owner or contractor the ability to negotiate the unit price up or down. The lump sum bid shall include the quantities listed.

Description of Items

Quantity Unit Price Lump Sum

Cladding Repairs:

1. Remove and replace existing batt insulation within wall system where deteriorated.	1,000 SF	\$ <u>2.⁴⁵/SF</u>	\$ <u>2,450.⁰⁰</u>
2. Install new control joints in stucco at miscellaneous locations required by Engineer that are <u>not</u> shown on the drawings.	50 LF	\$ <u>37.⁰⁰/LF</u>	\$ <u>1,850.⁰⁰</u>

Interior Repairs:

3. Remove and replace interior drywall around windows and doors and other miscellaneous locations.	9,500 SF	\$ <u>12.²⁵/SF</u>	\$ <u>116,470.⁰⁰</u>

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Pr 5.30-13 Interview (\$249K Savings)

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BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA

<u>Description of Items</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Lump Sum</u>
Interior Repairs (Continued):			
4. Install new primer coat (corner to corner) over interior drywall to receive Owner finish coat.	13,000 SF	\$ <u>50</u> /SF	\$ <u>6,500.00</u>
Light Gauge Framing Repairs:			
5. Install two new supplemental jamb studs each side of D1-A and D2-A sliding glass doors.	116 EA	\$ <u>54.00</u> /EA	\$ <u>6,264.00</u>
6. Install new supplemental jamb studs each side, new double track at head, new clip angles at head corners, and new infill head studs at D1-B and D2-B sliding glass doors.	16 EA	\$ <u>784.00</u> /EA	\$ <u>12,544.00</u>
7. Install new clip angle at top and bottom of each full height existing metal stud to concrete slab	2,500 STUDS	\$ <u>43.00</u> /STUD	\$ <u>107,500.00</u>
8. Install new lateral bridging between existing/new metal studs.	3,000 LF	\$ <u>12.26</u> /LF	\$ <u>36,780.00</u>
9. Install new supplemental full height metal stud "sistered" to existing stud at building corners and where clear height exceeds 8 feet.	300 EA	\$ <u>55.00</u> /EA	\$ <u>16,500.00</u>
10. Remove existing corroded metal studs and replace with new 16-gauge studs, attached at top and bottom with new clip angles.	50 STUDS	\$ <u>55.00</u> /STUD	\$ <u>2,750.00</u>
11. Install new partial height infill metal studs above and below W2 and W3 windows and D3 doors.	900 LF	\$ <u>12.25</u> /LF	\$ <u>11,025.00</u>
12. Clean and remove corrosion from existing metal studs/tracks and prime with rust-inhibiting coating.	300 LF	\$ <u>370</u> /LF	\$ <u>1,110.00</u>
Window and Door Replacement:			
13. Remove and replace deteriorated wood blocking at perimeter rough openings of windows and doors.	3,000 LF	\$ <u>613</u> /LF	\$ <u>18,390.00</u>
Balcony and Breezeways:			
14. Remove and patch ceiling finish where delaminated or texture is missing.	3,000 SF	\$ <u>245</u> /SF	\$ <u>7,350.00</u>
15. Install new deck coating (Repair Type "A") in front of W1 windows and sliding glass doors.	1,000 LF	\$ <u>7.00</u> /LF	\$ <u>7,000.00</u>
16. Install new deck coating (Repair Type "B") in front of W1 windows and sliding glass doors in lieu of Type "A".	200 LF	\$ <u>425</u> /LF	\$ <u>850.00</u>
17. Patch existing deck coating where deteriorated.	300 SF	\$ <u>613</u> /SF	\$ <u>1,839.00</u>

BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA

<u>Description of Items</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Lump Sum</u>
Balcony and Breezeways (Continued):			
18. Install new deck coating slurry to provide positive slope of the deck surfaces.	500 SF	\$ <u>6¹³</u> /SF	\$ <u>3,066.⁰⁰</u>
19. Install new DEFS accent board around concrete columns.	250 LF	\$ <u>18⁴⁰</u> /LF	\$ <u>4,600.⁰⁰</u>
20. Install new side-mounted aluminum handrails around roof access hatch areas on 5 th floor street side balconies.	20 LF	\$ <u>98.⁰⁰</u> /LF	\$ <u>1,960.⁰⁰</u>
21. Install new surface-mounted aluminum handrails around roof access hatch area on 5 th floor street side balconies.	125 LF	\$ <u>93.⁰⁰</u> /LF	\$ <u>11,625.⁰⁰</u>
22. Install new gutters.	230 LF	\$ <u>12²⁵</u> /LF	\$ <u>2,817.⁰⁰</u>
23. Repair miscellaneous spalled concrete by patching concrete with approved repair mortar.	50 CF	\$ <u>214.⁰⁰</u> /CF	\$ <u>10,700.⁰⁰</u>
24. Remove and reinstall existing canopies on the 5 th floor street sides balcony slabs below the existing gutters.	50 LF	\$ <u>30⁶⁵</u> /LF	\$ <u>1,532.⁰⁰</u>
Roofing:			
25. Replace existing plywood decking where deteriorated or required for attic access.	500 SF	\$ <u>3.70</u> /SF	\$ <u>1,850.⁰⁰</u>
26. Replace spark arrestors with new water resistant fixtures.	16 EA	\$ <u>43.⁰⁰</u> /EA	\$ <u>688.⁰⁰</u>
27. Remove and replace existing deteriorated wood nailers.	100 BF	\$ <u>8.⁰⁰</u> /BF	\$ <u>800.⁰⁰</u>
28. Install new miscellaneous Simpson anchors at roof framing-to-slab connections.	50 EA	\$ <u>153.⁰⁰</u> /EA	\$ <u>7,650.⁰⁰</u>
29. Install new miscellaneous Simpson anchors at wood framing connections.	50 EA	\$ <u>73.⁵⁰</u> /EA	\$ <u>3,675.⁰⁰</u>
Cash Allowance Items (Base Bid):			
1. The Contractor shall include in the Base Bid a cash allowance of \$25,000 for water testing of the new windows and doors.	N/A	N/A	\$25,000
2. The Contractor shall include in the Base Bid a cash allowance of \$50,000 for electrical repairs.	N/A	N/A	\$50,000

BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
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Description of Items	Quantity	Unit Price	Lump Sum
Cash Allowance Items (Base Bid):			
3. The Contractor shall include in the Base Bid a cash allowance of \$5,000 for replacing light fixtures that are damaged during removal and installation.	N/A	N/A	\$5,000

TOTAL LUMP SUM COST

Five Million Nine Hundred Twenty Three Dollars
\$ 5,923,823.00
Use Words Use Numbers

\$ 5,671,923

ALTERNATE BID ITEMS:

The Contractor shall provide the following lump sum cost for Alternate Bid Items, which may be substituted for other items already listed in the Base Bid as determined by the Owner as described in Section 01 23 00, Alternates: *Per 5-30-13 Interview*

1. Alternate No. 1: Install new horizontal sliding windows manufactured by Kawneer at W2 and W3 windows in lieu of single hung windows manufactured by YKK. \$ No Bid (Increase/Decrease)
2. Alternate No. 2: Install new curtain walls manufactured by Kawneer at CW-1 in lieu of curtain walls manufactured by YKK. \$ No Bid (Increase/Decrease)
3. Alternate No. 3: Install new curtain walls manufactured by Old Castle at CW-1 in lieu of curtain walls manufactured by YKK... \$ No Bid (Increase/Decrease)
4. Alternate No. 4: Install Neogard 7470 finish top coat in lieu of 7430 finish top coat at the balcony and breezeway deck coating (repair Type "C").. \$ 0.00 (Increase/Decrease)
5. Alternate No. 5: Execute hurricane evacuation preparedness plan. \$ 137,312.00 (Increase/Decrease)
6. Alternate No. 6: Install new anodized finish over aluminum handrails in lieu of kynar coating. \$ No Bid (Increase/Decrease)
7. Alternate No. R1: Provide and install new pre-fabricated, 22 gage galvalume, coated, standing seam roof panels complete with all accessories in lieu of pre-finished aluminum panels. \$ 2,810.00 (Increase/Decrease)
8. Alternate No. R2: Provide and install new pre-manufactured, pre-finished aluminum standing seam metal roof system with all accessories on Buildings C and D, pool house, pump house, and office as described in the base bid. Install continuous self-adhering waterproofing membrane underlayment and new Metal-Era vented system at ridges and eaves in lieu of materials described in base bid. Install new unfaced batt insulation in attic areas over all occupied spaces. \$ 24,520.00 (Increase/Decrease)
9. Alternate No. R3: Provide and install new pre-fabricated aluminum standing seam metal roof panels with anodized finish complete with all accessories in lieu of fluorocarbon coating. \$ 42,910.00 (Increase/Decrease)

NO WARRANTY WILL BE PROVIDED ON THIS ALTERNATE

**BUILDING ENVELOPE REMEDIATION
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10. Alternate No. R4: Provide and install new pre-fabricated aluminum standing seam metal roof panels with "pencil-rib" panels complete with all accessories in lieu of "flat" panels.

\$ 0.00 (Increase/Decrease)

PHASE II - BUILDINGS A & B

Phase II construction is anticipated to begin September 2014 or September 2015 and be completed by May 30 of the following year. It is the Owner's intent to award a Phase II contract to the successful Phase I contractor near or following successful completion of Phase I repairs. If deemed to be in the Owner's best interest, the Owner will negotiate a contract with the Phase I contractor to complete the same scope of repairs to Buildings A and B as a Phase II project. The negotiated contract price for the Phase II contract will be based on the Phase I contract prices adjusted for inflation as dictated by the consumer price index.

The undersigned acknowledges that he has received and reviewed the below enumerated addenda and has taken them into account in the preparation of this proposal.

Addendum No. 1

Dated MAY 10, 2013

Addendum No. _____

Dated _____

Addendum No. _____

Dated _____

The undersigned acknowledges that he has reviewed and attached the following documents to his bid:

1. Signature Page of "Bidders Qualifications"
2. Signature page of "Supplementary Conditions"
3. The names, addresses, telephone numbers, South Carolina license number for their specific trade, and five references (including contact name and number) for each of the following subcontractors proposed for use on the project:
 - Glass Subcontractor RIPLY GLASS
 - Hardcoat Stucco Subcontractor FOX VALLEY
 - Pedestrian Deck Coating Subcontractor PRO-TEC
 - Handrail Subcontractor ARG
 - Roofing Subcontractor METAL SYSTEMS INSTALLATIONS, INC.
 - Sealant Subcontractor PRO-TEC
 - Painting/Coating Subcontractor PRO-TEC
4. Preliminary schedule for construction TO BE SUBMITTED BY 5/20/2013
5. Bid Bond ☒

Provide Contractor's South Carolina General Contractors License Number: SC GC 10674

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Respectfully submitted this 17th day of MAY, 2013.

By: Charlotte Paint Co Inc. d/b/a PRO-TEC FINISHES
(Name of Firm or Corporation making bid)

By: Jimmy J. Garland
Title: Vice President
(Owner, Partner, or Corp. Pres. or Vice-Pres. Only).

WITNESS:

(Proprietorship or Partnership)

ATTEST:

By: Charles A. Goss
Title: Secretary, Treasurer
(Corp. Sec. or Assist. Sec. Only)

(CORPORATE SEAL)



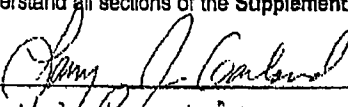
END OF SECTION 00 41 13

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BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA

- 1.32 Balcony Items: Prior to construction, the Owner will remove all furniture and belongings to avoid damage of these items during the construction work. The Contractor will not be responsible for damage to existing balcony furniture and belongings left in place by the Owner.
- ~~1.33 Interior Valuables: The Owner will move or secure all valuables within the unit that they feel could be stolen or damaged prior to the work. The Contractor will not be responsible for valuables left unsecured in the units.~~
- 1.34 Unit Access and Demising Walls: Although the Owner will not occupy the Buildings during construction, unit access shall be accomplished primarily from the exterior and not through the units. The Contractor shall construct and maintain a temporary demising "wall" that separates the building interior from the exterior during the replacement of the windows and doors. The demising wall shall protect the building interior from the elements. Interior repairs associated with damage from the demising walls shall be repaired by the Contractor at no cost to the Owner. The contractor shall submit the proposed demising wall construction with his Bid.
- 1.35 Roof Protection: The Contractor will be responsible for protection of the existing modified bitumen roof on the main buildings. The existing roof is under warranty and damage to the roof shall be repaired by an approved roof contractor to maintain the warranty at no cost to the Owner.
- 1.36 Changes in the Work: In addition to the justifiable equipment, materials, labor and other charges, Contractor shall be permitted to add a maximum of 15 percent overhead and profit to change order work.
- 1.37 Superintendent: The Contractor will assign and maintain one (1) superintendent during the remediation repair work. This superintendent will be on site 100 percent of the time repair work is being performed.

I have read and understand all sections of the Supplementary Conditions. This page must be submitted with bid.

Signed By:


Vice President

Title: (Owner, Partner or Corporate President or Vice President only)

END OF SECTION 00 73 00

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BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
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"SECTION 00 73 00

REVISED SUPPLEMENTARY CONDITIONS

PART I - GENERAL

- 1.01 **Project Startup:** Mobilization and construction on this project shall not begin before September 3, 2013. Pre-construction activities, including submittals, shop drawings, material orders, schedules, pre-construction meeting, and other pre-construction activities, shall begin immediately after execution of the Contract. The Owner intends on awarding a contract with the successful bidder in June 2013.
- 1.02 **Time for Completion:** Time is of the essence on this project. The work for this project shall be substantially complete by May 15, 2014 and final completion shall be achieved by May 31, 2014.
- 1.03 **Notice of Award:** A written Notice of Award will be given by the Engineer to the General Contractor following selection of the successful Bidder by the Owner. The Notice of Award is anticipated to be issued within approximately (7) days from receipt of bids. The Notice of Award notifies the successful Bidder of the Owner's intent to contract with them pending execution of the Contract by both parties. The Owner intends on executing the Contract in June 2013.
- 1.04 **Work Schedule:** The Contractor shall coordinate, schedule, and complete the work of this project within the required contract time.
- 1.05 **Notice to Proceed:** Written notice to proceed will be given by the Engineer to the General Contractor promptly after the materials and subcontracts have been evaluated and evidence of the required insurance and insurance certificates are furnished to the Owner and the Contract agreement with the General Contractor is executed.
- 1.06 **Hurricane Evacuation Preparedness Plan:** All ordinances of the local, state, and federal jurisdictions, specifying requirements which must be instituted on an active construction project in the event of a hurricane watch, hurricane warning, and/or mandatory evacuation order issued by the Governor of the State of South Carolina and City of Isle of Palms shall be strictly followed. The Contractor shall formulate and submit a plan to apply to this project and shall submit it with this bid. A lump sum price or other pricing schedule which shall apply to the work outlined shall also be submitted with the plan. In the event that this plan is executed as the result of an impending hurricane, the cost of the work will be added to the contract by change order. All materials and work of this Contract are the responsibility of the Contractor. No compensation will be provided by the Owner for hurricane protection for work that extends past the project end date.
- 1.07 **Scheduling the Project:**
 - A. It is essential that this project be completed by the specified dates in the Contract. The Contractor shall evaluate the work to be accomplished and shall make a determination as to how he can accomplish the work within this specified time period. Based upon his expectations, the Contractor shall prepare a detailed schedule outlining the manpower requirements necessary to accomplish the work.
 - B. With the bid, Contractor shall submit a preliminary schedule of how he will perform the work on this project, outlining the manpower requirements necessary to accomplish the work. If no schedule is submitted, the bid will be considered unresponsive.

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- 1.08 Permitting: The City of Isle of Palms requires permitting for this remediation. Contractor shall obtain and pay for all necessary permits for the work described in the Contract Documents.
- 1.09 Owner Access/Securing and Protection of the Site: No Owner access will be allowed within Buildings C and D during the work. Owner access will be allowed in the adjacent Buildings A and B on site. The Contractor will provide signage and barricades to protect site, buildings, pedestrians, and direct pedestrians from areas where work is being done. Contractor shall provide and maintain access to Buildings A and B and other common areas (including office, pool, streets, etc.), which can be occupied by Owner and Tenants. The Contractor shall comply with all regulations and requirements of the City of Isle of Palms related to providing an adequate protective work zone around the building as required by the International Building Code, current edition. Procedures for securing and protection of the entire work area shall be submitted *with the Bid* to the Owner for review.
- 1.10 Work Hours: Construction will be allowed 6 days/week (no Sundays) during the hours of 7:00 am to 6:00 pm as needed by the Contractor.
- 1.11 General Explanation of Bid Procedure: It is the purpose and intent of the following specifications to include items of material, work, services, and equipment necessary to the work of the entire project as shown on the drawings and including those portions, if any, which are to be added by unit cost adjustment to the contract.
- 1.12 Project Expediter:
- A. It shall be the responsibility of the General Contractor to act as Project Expediter on this project.
 - B. The Contractor shall maintain the progress schedule, making weekly adjustments, updates, corrections, etc., that are necessary, keeping all Subcontractors, the Owner and the Engineer fully informed.
- 1.13 Manufacturer's Directions: All items and materials shall be installed in accordance with the manufacturer's printed directions or in accordance with the specifications and recommendations of applicable trade or manufacturer's association as required in these specifications unless specifically directed otherwise in writing by the Engineer.
- 1.14 Engineer: Wherever in the Agreement or the General Conditions the word "Engineer" occurs they shall refer to the Engineer, SKA Consulting Engineers, Inc., 4651 Charlotte Park Drive, Suite 150, Charlotte, North Carolina 28217.
- 1.15 Contractor: Wherever in the Agreement or the General Conditions the word "Contractor" occurs, it shall refer to the person, partnership, corporation, or firm to whom the contract for the work is awarded. The Contractor is understood and agreed to be an independent contractor and not the agent of the Owner in any respect. The Contractor has no right to incur any obligation whatsoever for the account of or in the name of the Owner. The Contractor shall be solely liable and responsible for his acts and omissions or those of his employees or subcontractors.
- 1.16 Installation: Wherever the words "install," "provide," or "furnish" occur, they shall be understood to include all unloading, rigging, hoisting and storing, and the furnishing of all tools, equipment, labor, and materials required to furnish, handle, and completely install the work, unless specifically indicated otherwise.

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ISLE OF PALMS, SOUTH CAROLINA

1.17 Enumeration of Plans and Specifications:

A. Drawings:

<u>1.</u>	<u>Sheet Numbers</u>	<u>Drawing Title</u>
	CS.1	Cover Sheet
	S1.0A	Appendix B
	S1.1	Statement of Special Inspections
	S2.1	Site Plan
	S2.2	Floor Plans 1, 2 & 3
	S2.3	Floor Plan 4
	S2.4	Floor Plan 5 Roof Plan
	S2.5	Ground Floor Plan
	S2.6	Partial Plans
	S2.7	Partial Plans
	S2.8	Partial Plans
	S4.1	West Elevation – Street Side
	S4.2	East Elevation – Ocean Side – Buildings A & B
	S4.3	East Elevation – Ocean Side – Buildings C & D
	S4.4	
	S4.4	North & South Elevations – End Walls
	S4.5	Partial Elevations
	S4.6	Partial Elevations
	S4.7	Partial Elevations
	S4.8	Partial Elevations
	S5.1	Structural Sections and Details (Schedules)
	S5.2	Structural Sections and Details
	S6.1	Stucco Sections and Details
	S6.2	Stucco Sections and Details
	S6.3	Stucco Sections and Details
	S6.4	Stucco Sections and Details – Corner Balconies
	S6.5	Stucco Sections and Details
	S6.6	Stucco Sections and Details
	S6.7	Stucco Sections and Details
	S7.0	Window & Door Elevations
	S7.1	Window & Door Sections & Details – Windows
	S7.2	Window & Door Sections & Details – Window Flashing
	S7.3	Window & Door Sections & Details – Sliding Doors
	S7.4	Window & Door Sections & Details
	S7.5	Window & Door Sections & Details – Curtain Wall
	S7.6	Window & Door Sections & Details
	S8.1	Balcony & Waterproofing Sections & Details
	S8.2	Balcony & Waterproofing Sections & Details
	S8.3	Balcony & Waterproofing Sections & Details
	S8.4	Balcony & Waterproofing Sections & Details
	S9.1	Concrete Repair Sections & Details

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R1.1	Roof Plan
R1.2	Roof Plan & Partial Roof Plan
R2.1	Roofing Sections & Details
R2.2	Roofing Sections & Details
R2.3	Roofing Sections & Details
R2.4	Roofing Sections & Details

B. Specifications:

1. Non-Technical: Division Number 00, which includes the following: Invitation to Bid, Instructions to Bidders, Bidder's Qualifications, Supplementary Conditions, Bid Form, Form of Agreement, Standard General Conditions of the Construction Contract, Performance and Payment Bond, and Special Forms.
2. Technical: Divisions 01 through 49.
3. Also forming a part of each contract are any addenda issued prior to the date set for receiving bids or for any postponement thereof.

1.18 Definitions:

- A. Contract Documents: The documents for this contract include all the drawings in the set and the complete specifications. No allowance will be made for the Contractor's failure to familiarize him/herself with the complete Contract Documents.
- B. Owner: Shipwatch at Wild Dunes Homeowners Association, Isle of Palms, South Carolina.
- C. Engineer: SKA Consulting Engineers, Inc., 4651 Charlotte Park Drive, Suite 150, Charlotte, North Carolina, 28217, (704) 424-9663.
- D. Provide: Shall be understood to mean "furnish and install."
- E. Approval: Shall be understood to mean submission to the Engineer and their specific written approval prior to action.

1.19 Project Controls:

- A. Material Storage: Construction materials may be stored on the site at locations designated by the Owner, and shall not be placed to block or cause a hazard to the Owner's facility's pedestrian or vehicular traffic. The Owner shall designate a reasonable area for material and equipment storage and a job trailer. Any area so designated shall be fully restored by the Contractor to its original condition.
- B. Parking: The Contractor is allowed to park within the confines of the construction area and at other locations designated by the Owner.
- C. Clean Up: Contractor shall clean up all visible debris on a daily basis and upon completion of work.
- D. Demolition: Contractor should make provisions to remove demolished materials and debris by means, which are acceptable to Owner and without damage to the property.

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- 1.20 Explanation: In some Divisions of the specifications under "Scope of the Work", such work may be described using specific sheet numbers of the drawings as reference. Where this occurs, it is intended for reference and emphasis and the Contractor shall not interpret the "Scope of Work" required by the Division as limited to those referenced sheets.
- 1.21 Site Inspection: All prospective bidders will be required to visit the site prior to submission of their bid in order to verify existing conditions.
- 1.22 Safety: The Contractor shall adhere to the rules, regulations, and interpretations of the Department of Labor relating to Occupational Safety and Health Standards for the Construction Industry (Title 29, Code of Federal Regulations, Part 1926 published in Volume 39, Number 122, Part II, June 24, 1974 Federal Register) which are hereby incorporated in these specifications and to all other applicable state and local regulations governing the safe operation of a construction project.
- 1.23 Drawings and Dimensions: Drawings are not to be scaled for dimensions not shown. Dimensions of existing facilities are to be field measured. Where adjustments are necessary to suit field conditions, or where additional dimensions or other clarification is required, the Contractor shall promptly request such clarifications as provided by the General Conditions of the Contract.
- 1.24 Deviations from Working Drawings or Specifications: Deviations from Working Drawings or Specifications shall not be made in the execution of this work without the specific written approval of the Engineer.
- 1.25 Insurance:
- A. Builders Risk (Bid Alternate): Contractor's bid shall include a bid alternate for the cost of adding Builders Risk Insurance coverage to cover work to be completed including materials and supplies that will become a permanent part of the building for the full value of the contract. Builders Risk coverage is to be written on a special form basis including theft for the full value of the contract and shall be with insurance companies with A. M. Best Rating of A- VI or better. Include the insurance company name, policy form, and deductibles. Owner may at their option elect to provide the builders risk coverage.
 - B. Contractor is required to carry Workmen's Compensation Insurance per statutory limits, auto liability coverage, and general liability coverage.
 - C. Workers Compensation coverage shall include the following:
 - 1. Statutory Benefits
 - 2. Employers Liability: \$500,000 Each Accident
 - \$500,000 Disease - Policy Limit
 - \$500,000 Disease - Each Employee
 - D. Comprehensive General Liability Insurance, including Contractor's Protective, Completed Operations, and General Contractual Liability Insurance. Commercial General Liability coverage shall include the following:
 - 1. \$2,000,000 General Aggregate
 - 2. \$2,000,000 Products Completed Operations Aggregate
 - 3. \$1,000,000 Each Occurrence
 - 4. Coverage on an occurrence basis
 - 5. Aggregate Limits of Insurance on a per project basis

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- 6. Completed operations coverage will be in effect for a minimum of 7 years after completion
 - 7. Can have no residential / habitational exclusions
 - E. Comprehensive Automobile Liability Insurance covering Contractor for claims arising from all owned, hired, and non-owned vehicles, minimum coverage of \$1,000,000 combined single limit bodily injury and property damage.
 - F. Independent Contractor's coverage and Owner's-Contractor's protective are also required under general liability coverage.
 - G. Excess liability umbrella coverage in the amount of \$10,000,000 each occurrence/aggregate shall be required. Coverage on occurrence basis.
 - H. The Contractor shall include the Owner and Engineer as additional insured on the project.
 - I. Insurance coverage amounts as listed above shall be specifically for the Shipwatch project only.
 - J. All insurance policies are to be written with a company duly authorized to transact business within the jurisdiction of the Project site and shall be with insurance companies acceptable to Owner and with A. M. Best Rating of A- VI or better. The Owner shall be included as an Additional Insured on the General Liability including ongoing and completed operations, Automobile Liability and Umbrella policies. Coverage is primary and non-contributory with respect to any insurance carried by the Owner. Waiver of Subrogation in favor of Owner to be included on General Liability, Workers Compensation and Umbrella coverages. Policies should have a provision to notifying Owner thirty (30) days prior to cancellation or non-renewal of any such policies.
- 1.26. Assignment of Contract: Contractor shall not assign, transfer, convey, or otherwise dispose of the contract, or if its legal right, title, or interest in or to the same or to any part thereof, without the prior written consent of the Owner. Contractor shall not assign by power of attorney or otherwise any monies due him and payable under this Contract without the prior written consent of the Owner. Such consent, if given, will in no way relieve the Contractor from any of the obligations of this Contract.
- 1.27. Applications for Payments: Article 14.02.A.1: Replace "At least 20 days before the date established for each progress payment." with "At least 25 days before the date established for each progress payment."
- A. The Contractor shall submit an updated construction schedule with each payment application. Applications received without an updated schedule will be considered incomplete and will be returned to the Contractor unprocessed.
 - B. The Contractor shall submit an AIA Document G706A with every pay application and submit an AIA Document G706 with final pay application.
 - C. The Contractor awarded the bid will be required to have the *majority* owner of that company sign each payment application.
- 1.28. Liquidated Damages: Time is of the essence on this project and delays in construction will financially impact the Owner. Therefore, the Owner will assess liquidated damages as a penalty if work is not completed within the contract time. Liquidated damages will commence May 16,

00 73 00-7
BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA

2014 for each calendar day the work is not Substantially Complete. Liquidated damages of \$750 per day shall be imposed if the contract time is exceeded. The liquidated damages will be set forth in the Form of Agreement. Liquidated damages of \$750 per day will also commence June 1, 2014 for each calendar day the work does not reach Final Completion. Calendar days are based on seven days a week, including Sundays.

- 1.29 Landscaping/Costs: The Contractor shall notify the Owner of specific landscaping issues that will affect Contractor during work of this Project. Owner will retain their landscaping company to address landscaping issues on the project, including removal of landscaping that will be salvaged and replacement of landscaping that will be installed.
- 1.30 Isle of Palm Access Fee: The Contractor shall be responsible for all fees required to access the site through the Isle of Palms Security Office during work on this project. Fees currently are believed to be \$15 vehicle/day. It is believed that an unlimited contractor's pass can be purchased for \$135/vehicle, \$100/vehicle (5 or more vehicles), and \$270/vehicle (for 6 wheel vehicles). Exact costs for vehicles can be obtained by contacting the Isle of Palms Security Office."
- 1.31 Interior Furnishings: Prior to construction, along the exterior perimeter walls, the Owner will remove all pictures, blinds, curtains and other furnishings to avoid damage of these items during the construction work. The Owner will also move all furniture within the units, which are located within 4 feet of a window or door that is being replaced and "roll back" the carpet in front of the windows and doors a distance of 4.5 feet. **The Owner will also be responsible for removal and salvaging existing interior molding and trim (i.e. crown, chair rail, wainscot, etc) that they deem necessary within the 4 foot area described above around windows and doors.** The Contractor will not be responsible for damage to existing pictures, blinds, curtains, or other furnishings located on or attached to the perimeter exterior walls or interior furniture or carpet left in place within 4 feet of the windows and doors, **or interior molding and trim left in place adjacent to the windows and doors.** The contractor will be responsible for protecting all other furnishings in the units, including hardwoods and tile in front of windows/doors, and will be required to repair or replace damaged materials to the full satisfaction of the Owner. **The contractor will be required to replace damaged or removed interior floor base boards and prime, ready to receive finish painting by Owner.** After construction, the Owner will replace Owner-removed furnishes as described above.
- 1.32 Protection of Interior Hardwoods, Tile and Laminate: Contractor shall survey existing condition of hardwoods, tile and laminate in front of windows/doors and document existing damage. Documented damaged areas shall be confirmed by Owner's representative prior to installation of protective coverings so that Contractor is not held responsible for existing damage. Contractor shall saw cut and remove outer edges of existing hardwoods, tile and laminate as necessary to facilitate new window/door installation and install protective coverings in a manner to facilitate such removal. After installation of protective coverings by Contractor, Contractor and Owner's representative shall observe in-place protective coverings and confirm that reasonable protection has been installed.
- 1.33 Balcony Items: Prior to construction, the Owner will remove all furniture and belongings to avoid damage of these items during the construction work. The Contractor will not be responsible for damage to existing balcony furniture and belongings left in place by the Owner.
- 1.34 Interior Valuables: The Owner will move or secure all valuables within the unit that they feel could be stolen or damaged prior to the work. The Contractor will not be responsible for valuables left unsecured in the units.
- 1.35 Unit Access and Demising Walls: Although the Owner will not occupy the Buildings during construction, unit access shall be accomplished primarily from the exterior and not through the units. The Contractor shall construct and maintain a temporary demising "wall" that separates the building

00 73 00-8
BUILDING ENVELOPE REMEDIATION
SHIPWATCH AT WILD DUNES
ISLE OF PALMS, SOUTH CAROLINA

interior from the exterior during the replacement of the windows and doors. The demising wall shall protect the building interior from the elements. Interior repairs associated with damage from the demising walls shall be repaired by the Contractor at no cost to the Owner. The contractor shall submit the proposed demising wall construction with his Bid.

- 1.36 Roof Protection: The Contractor will be responsible for protection of the existing modified bitumen roof on the main buildings. The existing roof is under warranty and damage to the roof shall be repaired by an approved roof contractor to maintain the warranty at no cost to the Owner.
- 1.37 Changes in the Work: In addition to the justifiable equipment, materials, labor and other charges, Contractor shall be permitted to add a maximum of 15 percent overhead and profit to change order work.
- 1.38 Superintendent: The Contractor will assign and maintain one (1) superintendent during the remediation repair work. This superintendent will be on site 100 percent of the time repair work is being performed.
- 1.39 Modifications of Standard General Conditions of the Construction Contract: The Owner will require the following modifications to the Standard General Conditions of the Construction Contract, EJCDC C-700 document, provided in the Project Documents, during execution of the Owner-Contractor Agreement:
- A. Deletion of "Section 5.07 Waiver of Rights", in its entirety on page 00700-17.
 - B. Deletion of "Paragraph B, Section 5.08 Receipt and Application of Insurance Proceeds", in its entirety on page 00700-17.

I have read and understand all sections of the **Supplementary Conditions**. This page must be submitted with bid.

Signed By: _____

Title: (Owner, Partner or Corporate President or Vice President only)

END OF SECTION 00 73 00"



4651 Charlotte Park Drive
Suite 150
Charlotte, NC
28217-1191

P: 704.424.9663
F: 704.424.9665

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June 10, 2013

Pro-Tec Finishes
PO Box 765
Mt. Holly, North Carolina 28120

Attention: Mr. Terry McClain

Reference: Notice of Award
Building Envelope Remediation
Shipwatch at Wild Dunes
Isle of Palms, South Carolina
SKA Job No. 090432.4

Dear Mr. McClain:

The purpose of this letter is to notify you that you are the successful bidder on the building envelope remediation project at the Shipwatch at Wild Dunes Condominiums. The Shipwatch Condominiums HOA intends on contracting with you for the Phase 1 remediation work for the lump sum cost of \$5,671,923, as contained in your bid. SKA will begin preparation of the Contracts for execution by you and the Owner.

Prior to receiving Contracts, you are hereby requested to notify your subcontractors and begin obtaining the insurance certificates and bonds as required by the Project Documents.

We congratulate you on the award of this project and look forward to working with you. Please contact me if you have any questions.

Respectfully submitted,

SKA CONSULTING ENGINEERS, INC.

A handwritten signature in dark ink, appearing to read "Jeff S. Miller".

Jeffrey S. Miller, PE
Manager, Building Solutions Group

Britt Kelly

From: Don Michel <DMichel@charlestoncounty.org>
Sent: Tuesday, January 13, 2015 2:23 PM
To: 'R. Patrick Flynn'; Eversole Amy R.; Caroline Crisler; Leonard; Britt Kelly
Cc: Sperry, Paul E.; Winton, Tyler P.; Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodlelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles; Teddy Manos
Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

All,

Judge Dennis is unable to make a ruling based on the previous emails submitted. And since you are unable to come to an agreement, he will be happy to hear both sides out, on the record, regarding why these motions should be heard. We can do this at the originally scheduled time on the 15th. You need to be ready to argue them should he allow them to move forward. He has asked me to pass along to please let us know if you are able to resolve this issue on your own.

Please let me know if you have any questions or concerns.

Don

Don Michel
Court Management Supervisor
Charleston County Clerk of Court
100 Broad St. Suite 106
Charleston, SC 29401
Direct: 843-958-5013
Fax: 843-958-5020



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From: R. Patrick Flynn [mailto:rpf@roblaw.net]
Sent: Monday, January 12, 2015 6:53 PM
To: Eversole Amy R.; Caroline Crisler; Leonard; Don Michel; 'Britt Kelly'
Cc: Sperry, Paul E.; Winton, Tyler P.; Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com;

jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com;
janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com;
abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com;
etobul@turnerpadget.com; jcanaday@kernodelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles; Teddy Manos
Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

The motions are not on the roster for Thursday. I have not heard anything further or seen any motions to lift the stay in order to get the motions heard during the appeal. ----Pat

From: Eversole Amy R. [mailto:aeversole@carlockcopeland.com]
Sent: Monday, January 12, 2015 5:17 PM
To: 'Caroline Crisler, Leonard'; R. Patrick Flynn; Don Michel; 'Britt Kelly'
Cc: Sperry, Paul E.; Winton, Tyler P.; Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles; Teddy Manos
Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

Good evening –

I just want to make sure that I have not missed an email re the hearing, currently set for Thursday. Thank you.

Amy

From: Caroline Crisler, Leonard [mailto:ccleonard@charlestoncounty.org]
Sent: Tuesday, January 06, 2015 10:59 AM
To: 'R. Patrick Flynn'; Don Michel; 'Britt Kelly'
Cc: Sperry, Paul E.; Winton, Tyler P.; Eversole Amy R.; Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles; Teddy Manos
Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

Judge Dennis has been advised of this matter and I will defer to his decision about how he wishes to proceed.

Caroline C. Leonard
Charleston County Clerk of Court
100 Broad Street
Charleston, Sc 29401
ccleonard@charlestoncounty.org



From: R. Patrick Flynn [<mailto:rpf@roblaw.net>]

Sent: Tuesday, January 06, 2015 10:58 AM

To: Caroline Crisler. Leonard; Don Michel; 'Britt Kelly'

Cc: Psperry@carlockcopeland.com; twinton@carlockcopeland.com; aeversole@carlockcopeland.com;

Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodlelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles; Teddy Manos

Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

Caroline – based on my email below, Plaintiffs object to these motions being placed on the roster. Thanks – Pat Flynn

From: Caroline Crisler. Leonard [<mailto:ccleonard@charlestoncounty.org>]

Sent: Tuesday, January 6, 2015 10:53 AM

To: Don Michel; R. Patrick Flynn; 'Britt Kelly'

Cc: Psperry@carlockcopeland.com; twinton@carlockcopeland.com; aeversole@carlockcopeland.com;

Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodlelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles; Teddy Manos

Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

Because of past communication and no opposition, I continued these off the roster. If you wish, I can put these on Judge Dennis' roster for the 15th if that is acceptable.

Caroline C. Leonard
Charleston County Clerk of Court
100 Broad Street
Charleston, Sc 29401
ccleonard@charlestoncounty.org



From: Don Michel

Sent: Tuesday, January 06, 2015 10:48 AM

To: 'R. Patrick Flynn'; 'Britt Kelly'; Caroline Crisler. Leonard

Cc: Psperry@carlockcopeland.com; twinton@carlockcopeland.com; aeversole@carlockcopeland.com; Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sqladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodlelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles; Teddy Manos

Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

Thank you for your reply, Pat. I believe that Caroline has forwarded your responses to Judge Jefferson. I am also forwarding all of this to Judge Dennis since you were before him a few weeks ago. I will let you know when I hear back.

Don Michel

*Court Management Supervisor
Charleston County Clerk of Court
100 Broad St. Suite 106
Charleston, SC 29401
Direct: 843-958-5013
Fax: 843-958-5020*



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From: R. Patrick Flynn [<mailto:rpf@roblaw.net>]

Sent: Tuesday, January 06, 2015 10:45 AM

To: Don Michel; 'Britt Kelly'; Caroline Crisler. Leonard

Cc: Psperry@carlockcopeland.com; twinton@carlockcopeland.com; aeversole@carlockcopeland.com; Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sqladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodlelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles; Teddy Manos

Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

Don and Caroline –

It is the Plaintiffs' position that the other motions are absolutely "affected by the appeal" as the order on appeal purports to dismiss a substantial portion of damages claimed by the Plaintiffs against each defendant. All defendants are named respondents in the appeal. Based on these circumstances, this case is automatically stayed by the appeal, and jurisdiction was transferred to the Court of Appeals upon filing and service of the Notice of Appeal. Any respondent contesting this posture must seek relief by motion to the Court of Appeals. It is Plaintiffs' position that the Circuit Court has no jurisdiction to hear any motions while this appeal is pending. Thanks –Pat

From: Don Michel [<mailto:DMichel@charlestoncounty.org>]

Sent: Tuesday, January 6, 2015 10:15 AM

To: 'Britt Kelly'; Caroline Crisler. Leonard; R. Patrick Flynn

Cc: Psperry@carlockcopeland.com; twinton@carlockcopeland.com; aeversole@carlockcopeland.com; jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodlelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles

Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

Britt,

Once we get a ruling on the motions, do you take the position that the cases can move on to trial or you can only move forward with motions while the appeal is pending? Let me know.

Don

Don Michel
Court Management Supervisor
Charleston County Clerk of Court
100 Broad St. Suite 106
Charleston, SC 29401
Direct: 843-958-5013
Fax: 843-958-5020



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From: Britt Kelly [<mailto:bkelly@rrhlawfirm.com>]

Sent: Tuesday, January 06, 2015 9:44 AM

To: Caroline Crisler. Leonard; 'R. Patrick Flynn'

Cc: Don Michel; Psperry@carlockcopeland.com; twinton@carlockcopeland.com; aeversole@carlockcopeland.com; jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodlelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles

Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

Dear Caroline:

I was in a mediation yesterday when Mr. Flynn sent his email to you about this case and have been unable to respond to his request until now. The Notice of Appeal filed by Mr. Flynn's clients only relate to one order granting partial

summary judgment to Carolina Concrete Systems. My clients, EFCO and WCJ Architectural Sales, have pending motions for summary judgment that are scheduled to be heard on the 15th. The Order being appealed does not affect the claims against my clients and is really unrelated to my clients' summary judgment motions. As Judge Dennis indicated at our latest status conference (last month), the appeal does not automatically stay the entire case and the trial court retains jurisdiction over the matters not affected by the appeal. My clients, therefore, respectfully request that their motions remain scheduled for a hearing before Judge Dennis on the 15th.

Thank you for your consideration, and I apologize again that I could not have responded sooner.

Britt Kelly
| Attorney at Law |

151 Meeting Street
Suite 400, Charleston SC 29401
| office | 843-577-6726
| fax | 843-724-8036
| direct phone | (843) 266-8127
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From: Caroline Crisler. Leonard [<mailto:ccleonard@charlestoncounty.org>]

Sent: Monday, January 5, 2015 11:36 AM

To: 'R. Patrick Flynn'

Cc: Don Michel; Psperry@carlockcopeland.com; twinton@carlockcopeland.com; aeversole@carlockcopeland.com; jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Britt Kelly; Laura Croft; mbarfield@barnwell-whaley.com; whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodlelaw.com; Chris Ramsey; Frances Klotsch; Bill Lyles

Subject: RE: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

I have removed the matters from the roster.

Caroline C. Leonard

Charleston County Clerk of Court
100 Broad Street
Charleston, Sc 29401
ccleonard@charlestoncounty.org



From: R. Patrick Flynn [<mailto:rpf@roblaw.net>]
Sent: Monday, January 05, 2015 11:28 AM
To: Caroline Crisler. Leonard
Cc: Don Michel; Psperry@carlockcopeland.com; twinton@carlockcopeland.com; aeversole@carlockcopeland.com; Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; bkelly@rrhlawfirm.com; lcroft@rrhlawfirm.com; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sqladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rqilsenan@wcsr.com; abelton@wcsr.com; j david@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; icanaday@kernodlelaw.com; R. Patrick Flynn; Chris Ramsey; Frances Klotsch; Bill Lyles
Subject: Shipwatch and Mendiondo: 2012-CP-10-3857 and 3858

Caroline –

There are a number of motions listed on the roster for Judge Dennis on January 15, 2015 in the Shipwatch (2012-CP-10-3857) and Mendiondo (2012-CP-10-3858) cases. Please be advised that both of these cases are now on appeal. I have attached the Notice of Appeal filed in each case for your reference.

If you have any questions, please let me know. Thanks ----Pat Flynn

R. Patrick Flynn
Robertson Hollingsworth & Flynn
177 Meeting Street, Suite 300
Charleston, SC 29401
(843) 723-6470
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website: www.rhflawfirm.com

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Britt Kelly

From: R. Patrick Flynn <rpf@roblaw.net>
Sent: Tuesday, April 14, 2015 3:41 PM
To: Caroline Crisler. Leonard (ccleonard@charlestoncounty.org); Don Michel (dmichel@charlestoncounty.org)
Cc: Charlie Patrick (JNicholsonLC@sccourts.org); Psperry@carlockcopeland.com; twinton@carlockcopeland.com; aeversole@carlockcopeland.com; Jsmith@turnerpadget.com; erindean@tgdpa.com; staceycanaday@tgdpa.com; droot@kernodlelaw.com; Nate Head; snettles@richardsonplowden.com; dcobb@turnerpadget.com; Britt Kelly; Laura Croft; mbarfield@barnwell-whaley.com; amanda@maybanklaw.com; marshall@maybanklaw.com; elizabeth@maybanklaw.com; jelliott@richardsonplowden.com; sgladden@richardsonplowden.com; shatch@barnwell-whaley.com; janderson@arlawsc.com; dwegener@arlawsc.com; jdunning@arlawsc.com; Ghorton@wcsr.com; Rgilsenan@wcsr.com; abelton@wcsr.com; jdavid@wcsr.com; jhladek@richardsonplowden.com; mckelvey.gc@gmail.com; etobul@turnerpadget.com; jcanaday@kernodlelaw.com; R. Patrick Flynn; Chris Ramsey; Frances Klotsch; Dean@besthoneycutt.com; Dani@besthoneycutt.com
Subject: FW: Motion "MSUMJM-Motion/Summary Judgment by defendant, crt/srv" for Case "2012CP1003857- Shipwatch Condominium Association Inc VS Carolina Concrete Systems Inc , defendant, et al" was added to a Motions Roster for 5/4/2015 at 2:30 PM

Caroline and Don -

The motions in Shipwatch (2012-CP-10-3857) and Mendiondo (2012-CP-10-3858) referenced in the scheduling email below were addressed by Judge Dennis in a hearing on January 15, 2015.

At that hearing Judge Dennis ruled that all motions would be stayed until the appeals of the Shipwatch and Mendiondo cases are resolved. Those appeals were filed on December 30, 2014. Accordingly, I request that you please remove all of the motions in these two cases from the roster. If you have any questions, please do not hesitate to contact me.

Thanks and best regards ---Pat Flynn

R. Patrick Flynn
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Charleston, SC 29401
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Cell: (843) 834-3426

-----Original Message-----

From: cpas@charlestoncounty.org [<mailto:cpas@charlestoncounty.org>]

Sent: Tuesday, April 14, 2015 3:06 PM

To: R. Patrick Flynn

Subject: Motion "MSUMJM-Motion/Summary Judgment by defendant, crt/srv" for Case "2012CP1003857- Shipwatch Condominium Association Inc VS Carolina Concrete Systems Inc , defendant, et al" was added to a Motions Roster for 5/4/2015 at 2:30 PM

MOTIONS ARE SCHEDULED IN COURTROOM 3E WITH JUDGE NICHOLSON PRESIDING.

ALL REQUESTS FOR CONTINUANCES MUST BE FILED WITH JUDGE NICHOLSON'S OFFICE.
CHARLIE PATRICK, JUDGE NICHOLSON'S LAW CLERK, CAN BE REACHED AT
jnicholsonlc@sccourts.org

IF YOU HAVE QUESTIONS PLEASE CONTACT CAROLINE LEONARD AT:
ccleonard@charlestoncounty.org.

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JL U136PG383

MASTER DEED
OF
SHIPWATCH
HORIZONTAL PROPERTY REGIME
Wild Dunes Beach and Racquet Club
Charleston County
Isle of Palms, South Carolina
Phase I

DEPOSITION
EXHIBIT

JERNIGAN 142

T.M.S 604-12-03-246

MASTER DEED

for

SHIPWATCH

**Horizontal Property Regime
(An Expandable Regime)**

Charleston County, Isle of Palms, South Carolina

Drake Development Corporation, having its principal office at 1813 Hampton Street, Columbia, South Carolina, hereinafter referred to as "the Grantor", as the sole owner of the land and improvements hereinafter described, does hereby make, declare and publish its intention and desire to submit, and does hereby submit, the land and buildings hereinbelow described, together with all other improvements thereon, including all easements, rights and appurtenances thereto belonging, to a Horizontal Property Regime (to be known as Shipwatch Horizontal Property Regime, hereinafter called "the Regime") in the manner provided for by the South Carolina Horizontal Property Act, as amended, S.C. Code Ann. §§27-31-10 et seq. (1976). The Master Deed is for Phase (Stage) I only, but may be amended by Grantor to submit Phase II to the regime. In conformity with Sections 27-31-30 and 27-31-100 of said Act, the Grantor sets forth the following particulars:

I

LEGAL DESCRIPTION

The land (the "Real Property") which is hereby submitted to the Regime is described on Exhibit "A" attached hereto and made a part hereof by reference. The Real Property as so described has an area set forth on the survey referenced in said Exhibit "A".

II

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Incorporated herein by reference as if set forth in full herein is a plat referred to in Exhibit "A" showing the location of the buildings and other improvements (a copy of which is attached hereto as Exhibit A-1), a set of plans of the buildings which show graphically the dimensions, area and location of each Apartment and General Common Elements affording access to each Apartment. Each Apartment is identified thereon by specific number and no Apartment bears the same designation as any other Apartment. Said set of plans is attached hereto as Exhibit "B". The buildings containing the Apartments have an aggregate area set forth thereon.

III

APARTMENTS AND GENERAL AND LIMITED COMMON ELEMENTS

The Regime consists of Apartments and General and Limited Common Elements in Stage I and any other stages hereinafter submitted to the Regime, as said terms are hereinafter defined.

Apartments, as the term is used herein, shall mean and comprise the fifty-two (52) separate and numbered Apartments in Stage I which are designated in Exhibit "B" to this Master Deed, including but not limited to the space, partition walls, air conditioning and heating units, fixtures and appliances therein, excluding, however, all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings of each Apartment, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surface of all interior loadbearing columns, and further excluding all pipes, ducts, wires, conduits and other facilities running through any interior wall or partition for the furnishing of utility services to Apartments and Limited and General Common Elements. The general description and

number of each Apartment, expressing its area, general location and any other data necessary for its identification, also appears in Exhibit "B". The Apartments include living room, kitchen, including appliances therein, bathrooms, bedrooms and closets. Said Apartments are located in two (2) buildings on the real property set out in Exhibit "A" to this Master Deed. Each is more fully shown on the referenced plans. The following types of Apartments are located in the following Buildings:

BUILDING A

TYPE 1 - Apartments 401 and 408 are two (2) Story Townhouse Apartments located on the ends of the 4th and 5th Floors of the building with a living room, dining area, bedroom, bathroom, kitchen with appliances, wet bar or additional sink area, three (3) closets and an exterior storage room on the 4th Floor and with two (2) bedrooms, two (2) bathrooms, two (2) closets, utility closet, and enclosed washer and dryer on the 5th Floor.

TYPE 2 - Apartments 402, 403, 404, 405, 406 and 407 are two (2) Story Townhouse Interior Apartments located on the 4th and 5th Floors of the building with a living room, dining area, bedroom, bathroom, kitchen with appliances, wet bar or additional sink area, three (3) closets and an exterior storage room on the 4th Floor and with two (2) bedrooms, two (2) bathrooms, two (2) closets, utility closet, and enclosed washer and dryer on the 5th Floor.

TYPE 3 - Apartments 301, 306, 201, 206, 101 and 106 are one (1) Story Flats located on the ends of the 3rd, 2nd and 1st Floors of the building, respectively with a living room, dining area with bay window, three (3) bedrooms, three (3) bathrooms, five (5) closets, utility closet, enclosed washer and dryer, kitchen with appliances, wet bar or additional sink area and an exterior owner's storage room.

TYPE 4 - Apartments 302, 305, 202, 205, 102, and 105 are one (1) Story Flats located on the interior of the 3rd, 2nd and 1st Floors of the building, respectively, with a living room, dining area, three (3) bedrooms, three (3) bathrooms, five (5) closets, utility closet, enclosed washer and dryer, kitchen with appliances, wet bar or additional sink area, and an exterior owner's storage room.

TYPE 5 - Apartments 303, 304, 203, 204, 103, 104 are one (1) Story Flats located on the interior of the 3rd, 2nd and 1st Floors of the building, respectively, with a living room, dining area, two (2) bedrooms, two (2) bathrooms, three (3) closets, utility closet, enclosed washer and dryer, kitchen with appliances and wet bar or additional sink area, and an exterior owner's storage room.

BUILDING B

TYPE 1 - Apartments 409 and 416 are two (2) Story Townhouse Apartments located on the ends of the 4th and 5th Floors of the building with a living room, dining area, bedroom, bathroom, kitchen with appliances, wet bar or additional sink area, three (3) closets and an exterior storage room on the 4th Floor and with two (2) bedrooms, two (2) bathrooms, two (2) closets, utility closet, and enclosed washer and dryer on the 5th Floor.

TYPE 2 - Apartments 410, 411, 412, 413, 414 and 415 are two (2) Story Townhouse Interior Apartments located on the 4th and 5th Floors of the building with a living room, dining area, bedroom, bathroom, kitchen with appliances, wet bar or additional sink area, three (3) closets and an exterior storage room on the 4th Floor and with two (2) bedrooms, two (2) bathrooms, two (2) closets, utility closet, and enclosed washer and dryer on the 5th Floor.

TYPE 3 - Apartments 307, 312, 207, 212, 107 and 112 are one (1) Story Flats located on the ends of the 3rd, 2nd and 1st Floors of the building, respectively with a living room, dining area with bay window, three (3) bedrooms, three (3) bathrooms, five (5) closets, utility closet, enclosed washer and dryer, kitchen with appliances, wet bar or additional sink area and an exterior owner's storage room.

TYPE 4 - Apartments 308, 311, 208, 211, 108 and 111 are one (1) Story Flats located on the interior of the 3rd, 2nd and 1st Floors of the building, respectively, with a living room, dining area, three (3) bedrooms, three (3) bathrooms, five (5) closets, utility closet, enclosed washer and dryer, kitchen with appliances, wet bar or additional sink area, and an exterior owner's storage room.

TYPE 5 - Apartments 309, 310, 209, 210, 109 and 110 are one (1) Story Flats located on the interior of the 3rd, 2nd and 1st Floors of the building, respectively,

with a living room, dining area, two (2) bedrooms, two (2) bathrooms, three (3) closets, utility closet, enclosed washer and dryer, kitchen with appliances and wet bar or additional sink area, and an exterior owner's storage room.

General Common Elements means and includes:

- (1) The land on which the buildings stand, more fully described above, together with all of the other real property described in Exhibit "A";
- (2) The foundations, main walls, common storage areas, roofs, walkways, lobbies, stairways, elevators, railings and entrance and exit or communication ways, basement and roofs in each Building, "A & B";
- (3) The yards, gardens, shrubs, vegetation, boardwalks, exterior lights, trash containers, fire alarms, fire hoses, fire hydrants, signs, storm drainage system, and dryer exhausts, except as otherwise provided or stipulated;
- (4) The compartments or installations of central services such as power, light, telephone, television, cable television, gas, water, sewer, elevators, water tanks and pumps, and the like;
- (5) The parking areas, roads, driveways and all appurtenances thereto;
- (6) In general, all devices or installations existing for common use;
- (7) The swimming pool, decks and all equipment for servicing same;
- (8) All other elements of the property rationally of common use or necessary to its existence, upkeep and safety;
- (9) The general common area contains such areas as are shown on said plat location of the General Common Elements are shown, insofar as possible, on the and the Plans attached.

Limited Common Elements means and includes:

- (1) Any railings and surface area of all balconies, doorsteps, stoops, porches, balconies, patios, air conditioning components, ducts and lines, Apartment entrance ways and all exterior doors and window screens or other fixtures designed to serve one or more but less than all Apartments, are Limited Common Elements allocated exclusively to such Apartment or Apartments.
- (2) If any chute, flue, duct, wire, conduit, load bearing wall, plumbing, cable, sewer line or load bearing column, or any other fixture lies partially within and partially outside the designated boundaries of an Apartment, any portion serving only that Apartment is a Limited Common Element allocated solely to that Apartment. Insofar as possible, the Limited Common Elements are shown graphically and described in detail in words and figures in the plat, and plans.
- (3) All material, including but not limited to, studs, sheetrock, attached to or on the inside of the perimeter wall, floor and ceiling of an Apartment.

IV

OWNERSHIP OF APARTMENTS AND APPURTENANT INTEREST IN GENERAL COMMON ELEMENTS

Once the Real Property and Common Elements in a Stage are submitted to the Regime, an Apartment in the Regime may be individually conveyed and encumbered and may be the subject of ownership, possession or sale and of all types of juridic acts inter vivos or mortis causa, as if it were sole and entirely independent of the other Apartments in the Regime of which it forms a part, and the corresponding individual titles and interests shall be recordable.

Any apartment may be held and owned by more than one person as tenants in common or in any other recognized form of real property ownership except pursuant to a "Vacation Time Sharing Ownership Plan or Lease Plan" as defined in the S. C. Code of Laws 1976, as amended.

An Apartment owner shall have the exclusive ownership of his Apartment and shall have a common right to a share, with the other co-owners, in the common elements of the Regime, equivalent to the percentage representing the value of the individual Apartment, with relation to the value of the whole Regime. This percentage is set forth on Exhibit "C" attached hereto and made a part hereof by reference, shall have a permanent character, and shall not be altered without the acquiescence of the co-owners representing all the Apartments of the Regime.

The basic value, which shall be fixed for the sole purpose of this Master Deed and irrespectively of the actual value, shall not prevent each co-owner from fixing a different circumstantial value to his Apartment in all types of acts and contracts.

V

**RESTRICTION AGAINST FURTHER SUBDIVIDING
OF APARTMENTS AND SEPARATE CONVEYANCE
OF APPURTENANT COMMON ELEMENTS, AND
VACATION TIME SHARING OWNERSHIP PLAN OR
LEASE PLANS, ETC.**

No Apartment may be divided or subdivided into a smaller Apartment or smaller Apartment than as described in Exhibit "B" attached hereto, nor shall any Apartment, or portion thereof, be added to or incorporated into any other Apartments. The undivided interest in the General and Limited Common Elements declared to be an appurtenance to each Apartment shall not be conveyed, devised, encumbered or otherwise dealt with separately from said Apartment and the undivided interest in General and Limited Common Elements appurtenant to each Apartment shall be deemed conveyed, devised, encumbered or otherwise included with the Apartment even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering, or otherwise dealing with such Apartment. Any conveyance, mortgage, or other instrument which purports to affect the conveyance, devise or encumbrance, or which purports to grant any right, interest or lien in, to, or upon, any Apartment, shall be null, void and of no effect insofar as the same purports to affect any interest in an Apartment or its appurtenant undivided interest in General and Limited Common Elements, unless the same purports to convey, devise, encumber or otherwise trade or deal with the entire Apartment. Any instrument conveying, devising, encumbering or otherwise dealing with any Apartment which described said Apartment by the Apartment Number assigned thereto in Exhibit "B" without limitation or exception, shall be deemed and construed to affect the entire Apartment and its appurtenant undivided interest in the General and Limited Common Elements. Nothing herein contained shall be construed as limiting or preventing ownership of any Apartment and its appurtenant undivided interest in the General and Limited Common Elements by more than one person or entity as tenants in common, joint tenants, or by any other recognized form of real property ownership. Provided, however, that an Apartment can not be sold, owned or leased pursuant to a "Vacation Time Sharing Ownership Plan or Lease Plan" as defined in the laws of the State of South Carolina.

VI

**HORIZONTAL PROPERTY REGIME
SUBJECT TO RESTRICTIONS, ETC.**

Each and every Apartment and the General and Limited Common Elements shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established herein and prescribed and established in the Covenants for Properties in Isle of Palms Beach and Racquet Club, and Covenants and Restrictions of the Isle of Palms Beach and Racquet Club Community Association and By-Laws, as these documents have been amended from time to time, governing the use of said Apartment and General and Limited Common Elements, of Isle of Palms Beach and Racquet Club Properties, and setting forth the obligations and responsibilities incident to ownership of each Apartment and its appurtenant undivided interest in the General and Limited Common Elements and said Apartments and General and Limited Common Elements are further declared to be subject to the restrictions, easements, conditions, and limitations now of record affecting the land and improvements or the Apartment as set out in Exhibit "A".

VII

**PERPETUAL NON-EXCLUSIVE EASEMENT
IN GENERAL COMMON ELEMENTS**

The General Common Elements shall be, and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the co-owners of Apartments in the Horizontal Property Regime for their use and the use of their immediate families, guests, and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, or the enjoyment of said co-owners of Apartments. Notwithstanding anything above provided in this article, the Shipwatch Condominium Association, Inc. (a South Carolina eleemosynary corporation, hereinafter called "the Association"), shall have the right to establish the rules and regulations pursuant to which the co-owner or co-owners of any Apartment may be entitled to the use of and enjoyment of the General and Limited Common Elements.

VIII

**RIGHTS OF ELIGIBLE MORTGAGE HOLDERS AND
ELIGIBLE INSURERS OR GUARANTORS**

1. **Notice of Action:** Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the Apartment number or address, any such eligible mortgage holder or eligible insurer or guarantor will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Regime or any Apartment on which there is a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

(b) Any delinquency in the payment of assessments or charges owed by a co-owner of an Apartment subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

(c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

(d) Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified in this Master Deed.

IX

RESIDENTIAL USE RESTRICTION APPLICABLE TO APARTMENTS

Each Apartment is hereby restricted to residential use by the co-owner or co-owners thereof, their immediate families, guests, tenants, lessees, licensees and invitees, to such use as so restricted by the Covenants and Restrictions referred to in Exhibit "A"; provided, however, that so long as the Grantor, its successors or assigns or Wild Dunes Associates, its successor or assigns, shall own any interest in the Regime or an Apartment, it may utilize an Apartment or Apartments of their choice and the Temporary Model Unit, either one of them may use it, from time to time, for sales office(s), model(s), or other usage for the purpose of selling Apartments in said Regime. Grantor may assign this usage right to such other persons or entities as it may choose; provided, however, that when all Apartments have been sold, this right of said usage shall immediately cease. Grantor retains title to the Temporary Model Unit and Grantor, its successors and assigns may remove same from the premises at anytime. No "For Sale" signs or the like shall be permitted on any General and Limited Common Element or any Apartment so as to be visible from any General or Limited Common Element or public street or area. Notwithstanding the foregoing, Grantor, its successors and assigns, may make such use of unsold Apartments and the Common Elements as may facilitate completion and sale of such Apartments, including, but not limited to the maintenance of a sales office in an Apartment, the use of an Apartment as a model unit for Phase I or

any subsequent phase, and the showing of Apartments and the display of signs. Nothing herein shall prevent the Association from granting licenses and easements over the common areas for utilities, roads, and other purposes reasonably necessary or usable for the proper maintenance and operation of the Regime.

X

EXPANSION OF REGIME

Development in Stages. The Grantor proposes to develop the real estate shown on the master site plan marked Exhibit "B", as a single regime, by annexing to the property, the parcel of additional real estate shown on the master plat plan.

Maximum Number of Apartments. The maximum number of Apartments in the second stage of additional real estate shall be fifty-two (52) Apartments and all improvements shall be completed prior to annexation and shall be used for residential purposes.

Timetable. The Grantor, its successors and assigns or any persons owning adjoining property may, at their sole discretion, stage the development and construction of the Project into more than one stage or in two (2) separate projects, with no guarantee to the Apartment Purchasers that subsequent stages or projects will be developed. Grantor, will, in Stage I, construct an elevator in each building, swimming pool, kiddie pool and parking areas. It is the Grantor's intention to develop property owned by Grantor in the vicinity of the Regime as a staged condominium (horizontal property) regime. The development may consist of only Stage I in which the Apartment is located or may, at the sole option of the Grantor, its successors and assigns or persons owning adjoining property be developed in two or more stages as allowed and provided by the laws of the State of South Carolina or the development make consist of two or more projects. The Grantor, its successors and assigns or persons owning adjoining property hereby reserve the right and privilege to determine on or before May 1, 1988 whether or not to proceed with additional stages of development and the parties hereto agree that if the Grantor so decides, the Apartment may be in a condominium regime which consists of two stages. The determination of the Grantor, its successors and assigns or persons owning adjoining property as to the stages of the project may be on, before or after the closing of the Apartment.

Percentage Interest Chart. The percentage interests in the General and Limited Common Elements of each Apartment owner before and after addition of Stage II of proposed development shall be according to the chart attached hereto as Exhibit "C".

Compatibility. All buildings and Apartments erected upon each portion of Stage II will be compatible with the other Buildings and Apartments in the Regime in terms of architectural style, quality of construction and principal materials employed in construction, and size.

Restriction to Apply to New Apartments. All restrictions in this Master Deed affecting use, occupancy, and alienation of Apartments will apply to Apartments within Stage II.

Location of Building. To the extent possible, the location of Building and other improvements in Stage II shall be as shown in the master site plan.

Limited Common Elements. Any Limited Common Elements created within Stage II will be of the same general types and sizes as those within the other parts of the Regime.

Grantor Not Bound if Property Not Annexed. Any representations made in this Master Deed regarding Stage II do not apply if the additional real estate is not annexed to the Regime.

Property Annexed by Amending Master Deed. To add additional real estate pursuant to the option reserved under this article, the Grantor shall prepare, execute, and record an amendment to this Master Deed that shall contain a plot plan showing the location of the Building and any other improvements, and a set of floor plans of the Building which shall show graphically the dimensions, area, and location of each Apartment therein, and the location of General and Limited Common Elements affording access to each Apartment. The plans shall show graphically insofar as possible and describe in detail the Common Elements in the Building, both Limited and General. The plans shall be certified to by an engineer or architect authorized and licensed to

practice in this state. Instead of recording new plot plans and floor plans as required, the Grantor may record new certifications by a licensed engineer or architect of plot plans and floor plans previously recorded if those plans show all of improvements required by this section.

Grantor Owner of All Apartments Created. The Grantor shall be the owner of all Apartments hereby created. The amendment to the Master Deed must assign an identifying number of each Apartment created within the additional real estate and reallocate percentage interests in the Regime.

Assessments. During the period of time in which structures within a particular stage are under construction by the Grantor and not completed, no assessments shall be charged against the Grantor as the Co-Owner of Apartments in that stage until both the completion of said Apartments in that Stage and its inclusion in the Regime and the dues shall be assessed against the Co-Owners (including the Grantor) of those Apartments in that Stage which shall have been completed, proportionately, inter se.

XI
RIGHT OF GRANTOR TO REPRESENTATION ON
BOARD OF DIRECTORS AND OTHER RIGHTS
AND OBLIGATIONS OF GRANTOR

Council of Co-Owners Association, Control of Board of Director. Subject to the remainder of this paragraph, the Grantor may appoint and remove members of the Board of Director of the Association of the Council of Co-Owners ("Board") for a period not exceeding five (5) years from the date of the first conveyance of an Apartment to a person other than the Grantor. The period of Grantor control terminates no later than sixty (60) days after conveyance of seventy-five percent (75%) Apartments to Apartment owners other than the Grantor. The Grantor may voluntarily surrender the right to appoint and remove members of the Board before termination of that time period. In determining whether the period of Grantor control has terminated or whether Apartment owners other than the Grantor are entitled to elect members of the Board, the percentage of the Apartments conveyed shall be calculated as if all of the Apartments the Grantor has built, or retains an unexpired reservation of the right to build in this Master Deed, were included in the Regime.

Whenever Grantor shall be entitled to designate and select any person or persons to serve on any Board of Directors of Association, the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the Association, and Grantor shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any director or directors so removed from the remainder of the unexpired term of any director or directors so removed. Any director designated and selected by Grantor need not be a resident in the Regime. Anything to the contrary notwithstanding, the power in the Grantor to designate directors shall terminate on May 1, 1988.

Any representative of Grantor serving on the Board of Directors of the Association shall not be required to disqualify himself upon any vote upon any management contract or other matter between Grantor and Association where the said Grantor may have a pecuniary or other interest. Similarly, Grantor as a member of Association, shall not be required to disqualify itself in any vote which may come before the membership of the Association upon any management contract or other matter between Grantor and Association where Grantor may have a pecuniary or other interest.

Sale of Apartments. The Grantor shall have the right at anytime to sell, transfer, lease or re-let any Apartment(s) which the Grantor continues to own after this Master Deed has been recorded, without regard to any restrictions relating to the sale, transfer, lease or form of lease of Apartments contained herein and without the consent or approval of the Council of Co-Owners or any other Co-Owner being required, except that Grantor is prohibited from selling, transferring, leasing or otherwise letting any Apartment pursuant to a "Vacation Time Sharing Ownership Plan or Lease Plan", as defined in the laws of South Carolina.

Sales Office Rights. The Grantor may maintain in each Building at least one Apartment owned by it, as sales offices, or models, and may maintain signs advertising Apartments for sale. Grantor may assign this usage right to Wild Dunes Associates, its successors or assigns.

Easement Reservation. The Grantor reserves an easement, including a construction easement, through all General and Limited Common Elements as may be reasonably necessary for the purpose of discharging Grantor's right or obligations of exercising special Grantor rights reserved in this Master Deed.

Transfer of Rights. All rights, duties and obligations of the Grantor herein may be experienced or performed by the Grantor, its successors and assigns or the title holder of additional properties.

Reservation of Construction and Maintenance Easement. As part of the reservation of the option in Grantor to add additional property to this Regime, Grantor reserves unto itself, and its successors and assigns, easements for ingress and egress over, under and across all Common Elements, Limited and General and such other reasonable right of access to and use of the Common Elements Limited and General subject to this Regime as may be necessary for the construction, maintenance and marketing of the additional Apartments.

Taxes and Assessments Prior to Merger. Prior to filing any amendment to this Master Deed adding additional property to this Regime, Grantor shall be responsible for all taxes and other assessments relating to the property reserved to Grantor.

XII

**USE OF GENERAL COMMON ELEMENTS
SUBJECT TO RULES OF ASSOCIATION AND
ISLE OF PALMS BEACH AND RACQUET CLUB
COMMUNITY ASSOCIATION**

The use of General Common Elements by the co-owner or co-owners of all Apartments, and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may hereafter be prescribed and established by the Association or the Isle of Palms Beach and Racquet Club Community Association.

XIII

**HORIZONTAL PROPERTY REGIME TO BE USED FOR
LAWFUL PURPOSES, RESTRICTION AGAINST NUISANCES, ETC.**

No immoral, improper, offensive or unlawful use shall be made of any Apartment or of the General and Limited Common Elements, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction over the Regime shall be observed. No co-owner of any Apartment shall permit or suffer any thing to be done or kept in his Apartment, or on the General or Limited Common Elements, which will increase the rate of insurance on the Regime, or which will obstruct or interfere with the rights of other occupants of the building or annoy them by unreasonable noises, nor shall any such co-owner undertake any use or practice which shall create and constitute a nuisance to any other co-owner of an Apartment, or which interferes with the peaceful possession and proper use of any other Apartment or the General or Limited Common Elements.

XIV

RIGHT OF ENTRY INTO APARTMENTS IN EMERGENCIES

In case of any emergency originating in or threatening any Apartment, regardless of whether the co-owner is present at the time of such emergency, the Board of Directors of the Association or any other person or firm authorized by it, or the building superintendent or managing agent, shall have the right to enter such Apartment for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate, and to facilitate entry in the event of any such emergency, the co-owner of each Apartment shall deposit under the control of the Association a key to such Apartment.

XV

**RIGHT OF ENTRY FOR MAINTENANCE
OF GENERAL COMMON ELEMENTS**

Whenever it is necessary to enter any Apartment for the purpose of performing any maintenance, alteration or repair to any portion of the Common Elements, the co-owner of each Apartment shall permit other co-owners or their representatives, or the duly constituted and authorized agent of the Association, to enter such Apartment, provided that such entry shall be made only at reasonable times and with reasonable advance notice.

XVI

**LIMITATION UPON RIGHT OF CO-OWNERS
TO ALTER AND MODIFY APARTMENTS**

No co-owner of an Apartment shall make or permit there to be made any structural modification or alterations therein without first obtaining the written consent of the Association and the Wild Dunes Beach & Racquet Club Architectural Review Board, which consent may be withheld in the event that a majority of the Board of Directors of said Association determine, in their sole discretion, that such structural modifications or alterations would affect or in any manner endanger the building in part or in its entirety. If the modification or alteration desired by the co-owner of any Apartment involves the removal of any permanent interior partition, the Association shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load-bearing partition, and so long as the removal thereof would in no manner affect or interfere with the provision of utility services constituting General or Limited Common Elements located therein. No co-owner shall cause the balconies abutting his Apartment to be enclosed, or cause any improvements or changes to be made on the exterior of the building, including painting or other decoration, or the installation of electrical wiring, television antenna, machines or air conditioning units which may protrude through the walls or roof of the building, or in any manner change the appearance of any portion of the building alter, change or modify any perimeter or exterior wall or door not within the walls of such Apartment, nor shall storm panels or awnings be affixed, without the written consent of the Association being first obtained. Provided, however, if the owners of two (2) or more adjoining Apartments desire to remove any interior walls between the adjoining Apartments or construct doors or opening(s) therein, they may do so without approval of the Association as long as the removal of such walls or the construction of such door or opening(s) does not interfere with any load bearing columns or the provision of utility services constituting General or Limited Common Elements located therein. Such modifications shall not be considered a subdivision of an Apartment or an incorporation of one (1) Apartment into the other. The Apartments will remain individual Apartments and the owners of such Apartments will be responsible for reconstructing said walls or removing said doors at their cost upon sale of other Apartment unless the purchaser accepts same without such modification. Any Apartments so modified shall be subject to the assessment provisions set forth in paragraph IX (b) of the By-Laws.

XVII

**RIGHT OF THE ASSOCIATION TO ALTER AND IMPROVE
GENERAL AND LIMITED COMMON ELEMENTS AND ASSESSMENT THEREOF**

The Association shall have the right to make or cause to be made such alterations, modifications and improvements to the General and Limited Common Elements, provided such alterations, modifications or improvements are first approved in writing by the Board of Directors of the Association and also by the co-owners of sixty-seven percent (67%) or more of the Apartments in the entire Regime and by the Wild Dunes Beach & Racquet Club Architectural Review Board; and the cost of such alterations, modifications or improvements shall be assessed as common expenses and collected from the co-owners of all Apartments according to their percentage of ownership of the General and Limited Common Elements.

XVIII

MAINTENANCE AND REPAIR BY CO-OWNERS OF APARTMENTS

Every co-owner must perform promptly all maintenance and repair work within his Apartment which, if omitted, would adversely affect the Regime in its entirety or in a part belonging to other co-owners, being expressly responsible for the damages and liability which his failure to do so may engender. The co-owner of each Apartment shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, hot water heaters, stoves, refrigerators, garbage disposals, dishwashers, fans, or other appliances or equipment, including any fixtures and/or their connections or receptacles required to provide water, light, power, telephone, television, sewerage and sanitary service to his Apartment and

which may now or hereafter be situated in his Apartment including, toilets, lavatories, sinks, tubs and showers. Such co-owner shall further be responsible and liable for maintenance, repair, and replacement of any and all window glass, glass doors, wall, ceiling and floor surfaces or coverings, painting, decorating and furnishings, and all other accessories which such co-owner may desire to place or maintain in his Apartment. Whenever the maintenance, repair and replacement of any items for which the co-owner of an Apartment is obligated to maintain, repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association, or the Insurance Trustee hereinafter designated, shall be used for the purpose of making such maintenance, repair and replacement as shall exceed the deductible. The floor and interior walls of the balcony attached to his Apartment shall be maintained by the co-owner at his expense. Reference is made to S.C. Code Ann. §27-31-250 (1976), which code section is controlling of insurance proceeds use when said code section is applicable by its terms.

XIX

**MAINTENANCE AND REPAIR OF GENERAL
AND LIMITED COMMON ELEMENTS BY THE ASSOCIATION**

The Association, at its expense, shall be responsible for the maintenance, repair and replacement of all of the General and Limited Common Elements, including those portions thereof which contribute to the support of the building, and all conduits, ducts, plumbing, wiring and other facilities located in the General or Limited Common Elements for the furnishing of utility services to the Apartments and said General and Limited Common Elements, and should any incidental damage be caused to any Apartment by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair, or replacement of any General or Limited Common Elements, the Association shall, at its expense, repair such incidental damage.

XX

**PERSONAL LIABILITY AND RISK OF LOSS OF CO-OWNER
OF APARTMENT AND SEPARATE INSURANCE COVERAGE, ETC.**

The co-owner of each Apartment may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such co-owner and may, at his own expense and option, obtain insurance coverage against personal liability or injury to the person or property of another while within such co-owner's Apartment or upon the General or Limited Common Elements. All such insurance obtained by the co-owner of each Apartment shall, where available, provide that the insurer waives its right of subrogation as to any claims against other co-owners of Apartments, the Association, and the respective servants, agents and guests of said other co-owners and the Association. Risk of loss of or damage to any furniture, furnishings, personal effects and other personal property (other than such furniture, furnishings and personal property constituting a portion of the General or Limited Common Elements or insured by the Association) belonging to or carried on the person of the co-owner of or in, to or upon General or Limited Common Elements shall be borne by the co-owner of each such Apartment. All furniture, furnishings and personal property constituting a portion of the General or Limited Common Elements and held for the joint use and benefit of all co-owners of all Apartments shall be covered by such insurance as shall be maintained in force and effect by Association as hereinafter provided. The co-owner of an Apartment shall have no personal liability for any damages caused by the Association or in connection with the use of the General or Limited Common Elements. The co-owner of an Apartment shall be liable for injuries or damage resulting from an accident in his own Apartment, to the same extent and degree that the co-owner of a house would be liable for an accident occurring within the house.

XXI

CONDEMNATION

A. **Apartment Acquired.** If an Apartment is acquired by eminent domain, or if part of an Apartment is acquired by eminent domain leaving the Apartment owner with a remnant which may not practically or lawfully be used for any purpose permitted by this Master Deed, the award must compensate the Apartment owner for his Apartment and its General and Limited Common Element interest, whether or not any General or Limited Common Element interest is required. Upon acquisition, unless the decree

otherwise provides, that Apartment's entire General and Limited Common Element interest, votes in the Association and common expense liability are automatically reallocated to the remaining Apartments in proportion to the respective interests and votes, and the Association shall promptly prepare, execute, and record an amendment to this Master Deed reflecting the reallocations. Any remnant of an Apartment remaining after part of an Apartment is taken under this subsection is thereafter a General and Limited Common Element.

B. Part of Apartment Acquired. Except as provided above, if part of an Apartment is acquired by eminent domain, the Award must compensate the Apartment owner for the reduction of value of the Apartment and its common element interest. Upon acquisition, (1) that Apartment's Limited and General Common Element percentage interest, votes in the Association, and common expense liability are reduced in proportion to the reduction in size of the Apartment, and (2) the portion of Limited and General Common Element interest, votes and common expense liability divested from the partially acquired Apartment are automatically reallocated to that Apartment and the remaining Apartments in the percentages set out in Exhibit "C".

XXII

INDEMNIFICATION

The co-owners shall indemnify, hold harmless and save the Grantor and the Association their successors and assigns, from all liability, claims, damages, losses, and judgments, including attorneys fees incurred in enforcing the indemnity or defending any such action arising out of the following:

- a) Use of the swimming pool and amenities thereto, including, but not limited to, that portion of the pool and amenities situate and lying upon that property known as Tract E, Block D-2 Isle of Palms.
- b) Construction upon that property known as Tract E, Block D-2, Isle of Palms, including but not limited to construction of Stage II of this Regime, if any there be.

XXIII

INSURANCE

A. Hazard Insurance. The Association shall insure all Apartments and all General and Limited Common Elements against all hazards and risks normally covered by a standard hazard policy including fire and lightning, the hazards and risks covered by "extended coverage", vandalism and malicious mischief, and by the National Flood Insurance Act, windstorm and hail policies and all other coverage commonly required by lending institutions in the area. All Apartments and all General and Limited Common Elements shall be insured for the full replacement cost thereof, and where possible, the policy of insurance shall have a full replacement cost rider. Each year the Association shall update the replacement value cost rider. Such insurance shall cover only the Apartments and General and Limited Common Elements. No insurance of the contents of the Apartment (other than the fixtures originally installed therein by Grantor and being a part of such Apartment) shall be provided by the Association. The hazard insurance obtained by the Association may provide that any amount not to exceed one thousand (\$1,000.00) Dollars shall be deductible from any indemnity payable on account of a single loss, but any such deductible portion shall be borne by the Association as a Common Expense regardless of the number of co-owners directly affected by the loss.

B. Liability Insurance. The Association shall also obtain premises liability insurance on all Apartments and General and Limited Common Elements and the policy shall provide for a single limit indemnity of not less than one million (\$1,000,000.00) Dollars and cover bodily and personal injury and property damage. Such liability insurance shall cover claims of one or more co-owners against one or more co-owners as well as claims of third parties against one or more co-owners. The Association shall not be required however, to obtain public liability insurance covering accidents occurring within the limits of an Apartment or off the Regime Property. If available at a reasonable cost, the Association shall cause to be included within the policy of liability insurance, premises medical payment coverage.

C. General Provisions. All insurance obtained on the Apartments and General and Limited Common Elements by the Association shall be written in the name of the Association as trustee for the Owners, and the cost of such insurance shall be

a common expense. All such insurance shall be obtained from a company or companies licensed to do business in the State of South Carolina and currently rated "A" or better by Best's Insurance Ratings. No such insurance shall be permitted to expire except upon resolution of sixty-seven percent (67%) of the co-owners to that effect and all mortgagees. Duplicate originals of all policies of hazard insurance obtained on the Property by the Board of Directors, together with proof of payment of the premiums thereon, shall be delivered upon request to any co-owner or to any person holding a security interest in an Apartment.

D. Hazard Policy Provisions. All policies of hazard insurance on the Apartments and General and Limited Common Elements obtained by the Board of Directors shall provide as follows:

1. The indemnity payable on account of any damage to or destruction of the Apartments or General and Limited Common Elements shall be payable to the owner and/or to any persons holding security interests in any damaged Apartments as their interests may appear;
2. The policy shall not be cancelled without thirty (30) days' prior written notice to the Board of Directors and to every holder of a security interest in any Apartment who is named in the policy or an endorsement thereto;
3. No co-owner shall be prohibited from insuring his own Apartment for his own benefit;
4. No insurance obtained by a co-owner on his own Apartment shall be brought into contribution with the insurance obtained by the Board of Directors;
5. If the Board of Directors determines that it is possible to obtain such a provision, no right to subrogation shall exist against any owner or members of his household or his social guests;
6. If possible, the policy should provide that the insurer shall not be entitled to reconstruct in lieu of paying the indemnity in cash if the owners determine in the manner provided in the Master Deed not to repair or restore the damaged property; and
7. The policy shall not be cancelled on account of the actions of one or more, of the co-owners.

If a policy of insurance containing all of the foregoing provisions cannot be obtained at a reasonable cost, one or more of such provisions may be waived by resolution of a sixty-seven percentage (67%) of the co-owners and fifty-one percent (51%) of the mortgagees of Apartments.

E. Claims. The Board of Directors of the Association shall have exclusive authority to negotiate and settle on behalf of the owners all claims arising under policies of hazard insurance obtained on the Property by the Board of Directors except to the extent institutional mortgagees are granted such rights by co-owners. In the event of damage to or destruction of any portion of the Apartments or General or Limited Common Elements, the Board of Directors shall promptly file claim for any indemnity due under any such policies. The Board of Directors shall simultaneously notify the holders of any security interests in the Property who may be entitled to participate in such claim of the filing of same.

F. Insurance Proceeds. If the insurance proceeds exceed Five Thousand (\$5,000.00) Dollars, the net proceeds received by the Board of Directors from any indemnity paid under a policy of hazard insurance obtained on the Property by the Board of Directors shall promptly be paid by the Board of Directors to an Insurance Trustee as trustee or the co-owners as hereinafter provided. The Insurance Trustee shall be a state or federally chartered bank or savings and loan association selected by the Board of Directors and having trust powers and capital and surplus of five million (\$5,000,000.00) Dollars or more. The Insurance Trustee shall hold the insurance proceeds in trust and disburse said proceeds, after deduction of all reasonable fees and expenses of the Insurance Trustee, as follows:

1. If the co-owners determine in the manner provided in the Master Deed not to reconstruct the damaged property, the Insurance Trustee shall

distribute the insurance proceeds among all the owners and/or mortgagees with liens upon the Apartments, as their respective interests may appear, in proportion to their respective undivided interests in the portion or portions of the property damaged or destroyed.

2. If the Board of Directors is required to provide for the reconstruction of the damaged property, the Insurance Trustee shall disburse the insurance proceeds to the person or persons employed by the Board of Directors to effect such reconstruction in accordance with written authorizations submitted to the Insurance Trustee by the architect supervising the reconstruction or by the Board of Directors. Any portion of the insurance proceeds remaining after all the costs of reconstructing the Property have been paid shall be disbursed to the co-owners and their mortgagees in proportion to their interests in the portion or portions of the property repaired or restored.

In making disbursements of the insurance proceeds, the Insurance Trustee shall be entitled to rely without further inquiry upon the written authorization submitted as provided above or upon any written certification of facts submitted to the Insurance Trustee by the Board of Directors as hereinafter provided. The Insurance Trustee shall in no event be responsible for obtaining insurance on the Property, paying the premiums on any such insurance or filing claims for any payments due under any such insurance.

G. Insurance by Owners. Each co-owner shall be responsible for obtaining such amounts of the following types of insurance as he deems necessary or desirable:

1. Hazard insurance on his dwelling for his own benefit;
2. Hazard insurance on the contents of his dwelling and on improvements made to his dwelling; and
3. Liability insurance covering accidents occurring within the boundaries of his dwelling.

Any owner who obtains hazard insurance on his dwelling for his own benefit shall within thirty (30) days of obtaining the same deliver to the Board of Directors a copy of the policy of insurance, should the Board request.

XXIV

APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT LEVIED AND ASSESSED AGAINST THE REGIME AS A WHOLE

In the event that any taxing authority having jurisdiction over the Regime shall levy or assess any tax or special assessment against the Regime as a whole, as opposed to levying and assessing such tax or special assessment against each Apartment and its appurtenant undivided interest in General and Limited Common Elements as now provided by law, then such tax or special assessment so levied shall be paid as a common expense by the Association, and any taxes or special assessments which are to be levied shall be included wherever possible, in the estimated annual budget of Association, or shall be separately levied and collected as an assessment by the Association, against all of the co-owners of Apartments and said Apartments if not included in said annual budget. The amount of any tax or special assessment paid or to be paid by Association in the event that such tax or special assessment is levied against the Regime, as a whole, instead of against each separate Apartment and its appurtenant undivided interest in General and Limited Common Elements shall be apportioned among the co-owners of all Apartments so that the amount of such tax or special assessment so paid or to be paid by the Association and attributable to and to be paid by the co-owner or co-owners of each Apartment shall be that portion of such total tax or special assessment which bears the same ratio to said total tax or special assessment as the undivided interest in General and Limited Common Elements appurtenant to each Apartment bears to the total undivided interest in General and Limited Common Elements appurtenant to all Apartments. In the event that any tax or special assessment shall be levied against the Regime in its entirety, without apportionment by the taxing authority of the Regime and appurtenant undivided interests in General and Limited Common Elements, then the assessment by Association which shall include the proportionate share of such tax or special assessment attributable to each Apartment and its appurtenant undivided interest in General and Limited Common Elements, shall separately specify and identify the amount of such assessment attributable to such tax or special assessments, and the amount of such tax or special assessment so designated shall be and constitute a lien

prior to all mortgages and encumbrances upon any Apartment and its appurtenant undivided interest in General and Limited Common Elements, regardless of the date of the attachment and/or recording of such mortgage or encumbrance, to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each Apartment and its appurtenant undivided interest in General and Limited Common Elements.

XXV

AMENDMENT OF MASTER DEED

Subject to the provisions of Article VIII and Article X, which provides for amendments to this Master Deed by Grantor, its successor and assigns, to add additional phases of this Master Deed, neither this Master Deed nor any of its provisions shall be revoked or amended except an amendment to add the additional phase by the Grantor or its successors and assigns, without the acquiescence of the co-owners owning at least two-thirds of the Apartments and at least two-thirds of the total interest in the General and Limited Common Elements and the record holders of encumbrances affecting at least two-thirds of the Apartment and at least two-thirds of the total interest in the General and Limited Common Elements, except that the system of administration as set forth in the Articles of Incorporation and By-Laws may be amended and modified from time to time in accordance with the provisions of the South Carolina Horizontal Property Act and other applicable provisions of the Code of Laws of South Carolina, the Articles and By-Laws of the Association. Any such amendment or revocation shall be executed and subscribed with the same formalities required in South Carolina for the making of deeds, and recorded in the public records of Charleston County.

Without limiting the foregoing, the Grantor shall have the power, but not the obligation, acting alone, at any time (and from time to time) so long as the Grantor owns at least one Apartment in the Regime to amend the Master Deed to cause the same to conform to the requirements of the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation, as set forth, respectively, in "FNMA Conventional Home Mortgage Selling Contract Supplement" and "Seller's Guide to Conventional Mortgages", as the same may be amended from time to time.

XXVI

REMEDIES IN EVENT OF DEFAULT

The co-owner or co-owners of each Apartment shall be governed by and shall comply with the provisions of this Master Deed, and the Articles and the By-Laws of the Association and its rules and regulations as any of the same are now constituted or as they may be adopted and/or amended from time to time. A default by the co-owner or co-owners of any Apartment shall entitle the Association or the co-owner or co-owners of other Apartment or Apartments to the following relief:

A. Failure to comply with any of the terms of this Master Deed or other restrictions and regulations contained in the Articles of Incorporation, By-Laws of the Association, or its rules and regulations, or decisions made pursuant thereto, shall be grounds for relief which may include, without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof and which relief may be sought by Association, or if appropriate, by an aggrieved co-owner of an Apartment or both;

B. The co-owner or co-owners of each Apartment shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of an Apartment or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of right of subrogation.

C. In any proceeding arising because of an alleged default by the co-owner of any Apartment, the Association, if successful, shall be entitled to recover the costs of the proceedings, and such reasonable attorney's fees as may be determined by the Court, but in no event shall the co-owner of any Apartment be entitled to such attorney's fees.

holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable.

XXX

**MASTER DEED BINDING UPON GRANTOR, ITS
SUCCESSOR AND ASSIGNS, AND SUBSEQUENT CO-OWNERS**

The restrictions and burdens imposed by the covenants of this Master Deed are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each Apartment and its appurtenant undivided interest in General and Limited Common Elements and this Master Deed shall be binding upon Grantor, its successors and assigns, and upon all parties who may subsequently become co-owners of Apartments in the Regime, and their respective heirs, legal representative, successors and assigns.

XXXI

DEFINITIONS

The definitions contained in S. C. Code Ann., §27-31-10 (1976), are hereby incorporated herein and made a part hereof by reference. The word "Unit" shall have the same meaning as "Apartment" and the words "Phase" or "Phases" shall have the same meaning as "Stage" or "Stages."

XXXII

MISCELLANEOUS

Attached hereto as Exhibit "D" and made a part hereof by reference is the Architect's Certificate required by S. C. Code Ann., §27-31-110 (1976).

Attached hereto as an Appendix and made a part hereof by reference is a copy of the By-Laws of the Association, as required by S. C. Code Ann., §27-31-150 (1976).

IN WITNESS WHEREOF, the Grantor has executed this Master Deed this 24th day of April, 1984.

WITNESSES:

DRAKE DEVELOPMENT CORPORATION

Cheryl Anne Cronin

By: *[Signature]* (SEAL)
H. Russell Drake, Jr.
Its President

Deborah A. Bauer

APPROVED:

WILD DUNES ASSOCIATES

By: *[Signature]*
Its General Partner

Witnesses:
[Signature]
[Signature]

EXHIBIT "A"LEGAL DESCRIPTION

ALL that certain lot, piece or parcel of land together with improvements thereon, situate, lying and being in Isle of Palms, Charleston, South Carolina designated as Tract E, Block D-1, Isle of Palms Beach and Racquet Club and shown upon a plat of Shipwatch Horizontal Property Regime, Phase I, prepared by Joel P. Porcher, R.P.E. & L.S. Engineering, Surveying and Planning, Inc., dated April 23, 1984, revised April 26, 1984, and duly recorded in the Office of the R.M.C. Office for Charleston County in Plat Book _____ at Page _____. Said tract having such size, shape, dimensions, buttings and boundings, more or less, as thereby referenced upon said plat.

The property hereby conveyed is subject to the following:

- (a) The Apartment shall not be used for or subject to any type of Vacation Time Sharing Plan as defined by the 1976 Code of Laws for the State of South Carolina, as amended, Section 27-32-10, et seq.
- (b) That certain "Covenants and Properties in the Isle of Palms Beach and Racquet Club", dated April 5, 1977 and duly recorded in the R.M.C. Office for Charleston County in Book B-112, Page 257; and AMENDMENT THERETO, dated December 22, 1978 and recorded in the said R.M.C. Office in Book W-117, Page 227;
- (c) That certain "Declaration of Covenants and Restrictions of Isle of Palms Beach and Racquet Club Community Association" dated April 5, 1977, and duly recorded in the R.M.C. Office for Charleston County in Book B-112, at Page 259, and AMENDMENT THERETO, dated September 18, 1980 and recorded in Book Y-123, Page 367;
- (d) The Covenants Affecting Beach Residential Areas in Isle of Palms Beach and Racquet Club dated April 5, 1977 and duly recorded in the R.M.C. Office for Charleston County in Book B-112, Page 258;
- (e) Easement to Wild Dunes Associates, its successors and assigns, for the construction and maintenance of the rock revetment referred to in Deed recorded in the Office of the R.M.C. for Charleston County in Book P132 at Page 16;
- (f) That certain Declaration of Right to Use and Covenant Maintenance Assessments dated 24 April, 1984, and recorded in the Office of the R.M.C. for Charleston County in Book _____ at Page _____.
- (g) That certain 10' Beach Access Easement to Isle of Palms Beach & Racquet Club Community Association, Inc., its successors and assigns, recorded in the Office of the R.M.C. for Charleston County in Book _____ at Page _____.
- (h) Stipulations by the Beach Co., recorded in the R.M.C. Office for Charleston County, South Carolina, on June 22, 1973, in Book M99 at Page 152.
- (i) Notwithstanding any other language to the contrary contained herein, no warranty of title is given to any portion of the premises now lying below the mean high water mark or which in its natural state lies below the mean high water mark or which did lie below the mean high water mark of abutting tidal waters as of July 1, 1977;
- (j) Other Restrictions, Easements and Rights-of-Way of record or affecting the property, including but not limited to, those set forth in the Title Commitment issued to the Grantee(s) herein.

JK U136PG403

The property submitted includes:

All of the grantor's right, title or interest in the property above described including the grantor's interest in any adjoining or accreted property between the boundary line of the above referenced property and the mean high water mark of the Atlantic Ocean as it existed when this tract was initially developed or subdivided, if any, deeded to it by quit-claim deed from Wild Dunes Associates, A South Carolina Partnership, dated April 23, 1984, and recorded simultaneously herewith.

TMS# 604-12-00-246

19a

SQUARE FOOTAGES

Building A

UNIT TYPE 1:	Apartment Area	1,616.00 square feet
	Limited Common Area	366.00 square feet
UNIT TYPE 2:	Apartment Area	1,616.00 square feet
	Limited Common Area	366.00 square feet
UNIT TYPE 3:	Apartment Area	1,348.00 square feet
	Limited Common Area	231.15 square feet
UNIT TYPE 4:	Apartment Area	1,338.00 square feet
	Limited Common Area	192.75 square feet
UNIT TYPE 5:	Apartment Area	1,100.00 square feet
	Limited Common Area	234.25 square feet

COMMON AREAS:

Lobby	224.25 square feet (includes equip. rooms)
First Floor	1,245.50 square feet
Second Floor	1,245.50 square feet
Third Floor	1,245.50 square feet
Fourth Floor	2,959.00 square feet
Fifth Floor	1,335.50 square feet
Roof	7,250.00 square feet

Total Common Area, Building A:

15,505.25 square feet

Building B

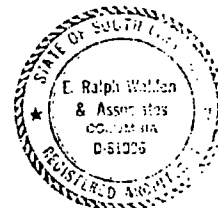
UNIT TYPE 1:	Apartment Area	1,618.00 square feet
	Limited Common Area	366.00 square feet
UNIT TYPE 2:	Apartment Area	1,618.00 square feet
	Limited Common Area	366.00 square feet
UNIT TYPE 3:	Apartment Area	1,348.00 square feet
	Limited Common Area	231.15 square feet
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Third Floor	1,245.50 square feet
Fourth Floor	2,959.00 square feet
Fifth Floor	1,335.50 square feet
Roof	7,250.00 square feet

Total Common Area, Building B:

15,505.25 square feet



3K U136PG427

EXHIBIT "C"

APARTMENTS	STAGE I PERCENTAGE INTEREST	STAGES I & II PERCENTAGE INTEREST	BASIC VALUES
BLDG. A			
TYPE 1 401 and 408	2.392	1.196	\$ 270,000.00
TYPE 2 402, 403, 404, 405, 406, 407	2.214	1.107	\$ 250,000.00
TYPE 3 301, 306, 201, 206, 101, 106	1.94	0.970	\$ 219,000.00
TYPE 4 302, 305, 202, 205, 102, 105	1.78	0.890	\$ 201,000.00
TYPE 5 303, 304, 203, 204, 103, 104	1.602	0.801	\$ 181,000.00
BLDG. B			
TYPE 1 409 and 416	2.392	1.196	\$ 270,000.00
TYPE 2 410, 411, 412, 413, 414, 415	2.214	1.107	\$ 250,000.00
TYPE 3 307, 312, 207, 212, 107, 112	1.94	0.970	\$ 219,000.00
TYPE 4 308, 311, 208, 211, 108, 111	1.78	0.890	\$ 201,000.00
TYPE 5 309, 310, 209, 210, 109, 110	1.602	0.801	\$ 181,000.00
TOTAL BASIC VALUE IN STAGE I		\$ 11,292,000.00	
TOTAL BASIC VALUE IN STAGES I & II		\$ 22,584,000.00	

3K U136PG428

EXHIBIT "D"

ARCHITECT'S CERTIFICATE

Pursuant to S. C. Code Ann. §27-31-110 (1976), I certify that the Regime plans described in the attached Exhibit "B" and the written description of fifty-two (52) Apartments of the Shipwatch Horizontal Property Regime (situate upon real estate described in the attached Exhibit "A"), fully depict the layout, dimensions, location, area and number identification of the Apartments and the Common Elements both Limited and General of each Regime.

D-81006
Architect's S.C. License No.

E. Ralph Walden
E. RALPH WALDEN

Columbia, South Carolina
April 25, 1984.



STATE OF SOUTH CAROLINA

COUNTY OF CHARLESTON

Oscar Mendiondo, individually and as
representative of a class of similar situated
owners of condominium units in the horizontal
property regime known as Shipwatch
Condominiums,

Plaintiffs,

vs.

Carolina Concrete Systems, Inc.; Sisnroy
Engineering, LLC; Robert G. Sisnroy,
individually; Terrence J. McKelvey; Glasgow
Roofing, Inc.; GlassTec, Inc.; Spectech, Inc.;
Sonneborn, Inc.; Chimney Sweeps, Inc.; Low
Country Chimneys, Inc.; EFCO Corporation,
Inc.; W.C. Johnston Architectural Sales, Inc.;
Charleston Glass Company, Inc.; First Exteriors,
LLC; Acrocrete, Inc.; BASF Corporation; Gary
Freeman Architect, Inc.; Gary Freeman,
individually;

Defendants.

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CIVIL ACTION NO.: 2012-CP-10-3858

AFFIDAVIT OF GREG JOHNSTON

FILED
2015 JAN 13 PM 4:51
JULIE J. ARMSTRONG
CLERK OF COURT
BY _____

PERSONALLY APPEARED before me, Greg Johnston, who being duly sworn does
state as follows:

1. I am over the age of eighteen years and am competent in all other respects to make this Affidavit.
2. I have personal knowledge of all matters set forth herein.
3. From March 1, 1995 until December 31, 2011, I served as the Owner/President of WC Johnston Architectural Sales, Inc. ("WCJ").
4. EFCO Corporation, Inc. ("EFCO") is a Missouri based corporation that is in the business of manufacturing window and door products.

5. For approximately 17 years, WCJ was an independent South Carolina manufacturer's representative of EFCO window and doors products, including during the 2003-2010 time period.
6. WCJ was the designated sales entity for this geographic area. WCJ was Charleston Glass' only contact for purchasing EFCO product.
7. I am not aware of any direct contact between Charleston Glass and EFCO on the Shipwatch project.
8. As the President of WCJ, I was involved in sales and frequently interacted with customers.
9. During the 2003-2010 time period, EFCO manufactured both impact rated and non-impact rated door and window products.
10. During the 2003-2010 time period, WCJ sold both impact rated and non-impact rated door and window products.
11. In approximately 2003, Randy Morgan with Charleston Glass and Mirror Company, Inc. ("Charleston Glass") contacted WCJ about purchasing EFCO products for use in construction work taking place at the Shipwatch condominiums in Isle of Palms, South Carolina.
12. At the time, Charleston Glass had been a customer of WCJ for approximately 15 years.
13. In 2004, Charleston Glass sent a purchase order for non-impact rated EFCO products from WCJ, including 72 3015 Series sliding glass doors. WCJ was informed that no architectural plans or specifications existed for the project.

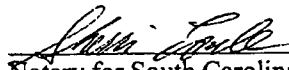
14. As part of the sales process with Charleston Glass, Mr. Morgan signed a "Customer Make Size Order Form" to confirm the materials being ordered by Charleston Glass. The order form is attached hereto as Exhibit 1.
15. The 2004 Charleston Glass order was for doors with non-impact glazing.
16. When additional 3015 Series sliding glass doors were ordered in 2008, 2009, and 2010, the same "Customer Make Size Order Form" was used to formalize the Charleston Glass order. The order forms for 2008-2010 are attached hereto as Exhibits 2, 3, 4, and 5.
17. The order forms for 2008, 2009, and 2010 also requested EFCO doors with non-impact glazing. Mr. Morgan confirmed each order by signature or through a separate document with a notation that the glass being ordered was "ok."
18. Charleston Glass purchased both impact and non-impact rated EFCO window and door products prior to 2008.
19. From 2003-2010, the impact rated glazing products cost approximately 30-35% more than non-impact glazing products.
20. WCJ would willingly have sold Charleston Glass impact rated products instead of non-impact rated products from 2003-2010. WCJ routinely sold other customers both impact rated products and non-impact rated products.
21. With the sale of the EFCO product to Charleston Glass, WCJ passed on the EFCO Corporation Limited Warranty. Written warranties issued on December 22, 2003, and February 26, 2008, are attached hereto as Exhibits 6 and 7, respectively.
22. The Limited Warranty was extended with each sale of EFCO product to Charleston Glass for the Shipwatch project. Charleston Glass did not make a request for any additional or different warranties.

23. No request was ever made by Charleston Glass or the Shipwatch owners for WCJ to replace the provided EFCO non-impact rated products with impact rated products.

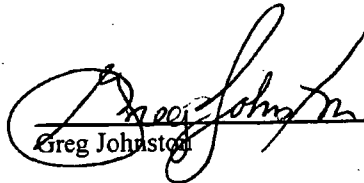
FURTHER AFFIANT SAYETH NOT.



SWORN TO BEFORE ME this
8th day of January 2015


Notary for South Carolina

My Commission Expires: 5/6/23


Greg Johnston

DATE _____

996

GLAZING SCHEDULE

NOTE: EFCO RESERVES THE RIGHT TO SUPPLY, AT OUR DISCRETION ANY OF THE FOLLOWING SPACER TYPES. INSULATED GLASS WARRANTY WILL BE THE SAME FOR EITHER SPACER PROVIDED.
 1) TUBULAR GLASS SPACER. 2) P.P.G. WARM EDGE SPACER. 3) ANY COMBINATION OF BOTH.

GLAZING TYPE	DESCRIPTION
(1)	1" IG (3/16" bronze temp ext - 5/8" A.S. - 3/16" Clear Temp. int)
(2)	
(3)	
(4)	

ANY SPECIAL FABRICATION INSTRUCTIONS

7482 Subhead & 3184 Starter Sill

SHEET 2 OF

A
v

446

☐ BLINDS BLIND COLOR: _____

☐ 1" BLIND THICKNESS

☐ 5/8" BLIND THICKNESS

WINDOW HARDWARE:

LOCKING: S.S. deadlocks, thumbturn

OPERATING: S.S. Rollers

OTHER:

☐ LIMITED OPENING (PROJECTED) _____

☐ SASH TRAVEL (HUNG/SLIDER) _____

LIMIT DEVICE _____

INSECT SCREENS

ALUMINUM MESH	FIBERGLASS MESH
☒ GUNMETAL	☐ CHARCOAL
☐ WHITE COAT	☐ SILVER GRAY
☐ OTHER	☐ OTHER
TYPE:	TYPE:

104.144
 Charleston Class0516



EFCO CORPORATION
 1000 County Road
 Monett, MO 65708
 417-235-3193 800-221-4169
 Fax 417-235-7313
 www.efcocorp.com

Date _____

Page _____ of _____

Bid Date _____

Job Number _____

Job Location _____

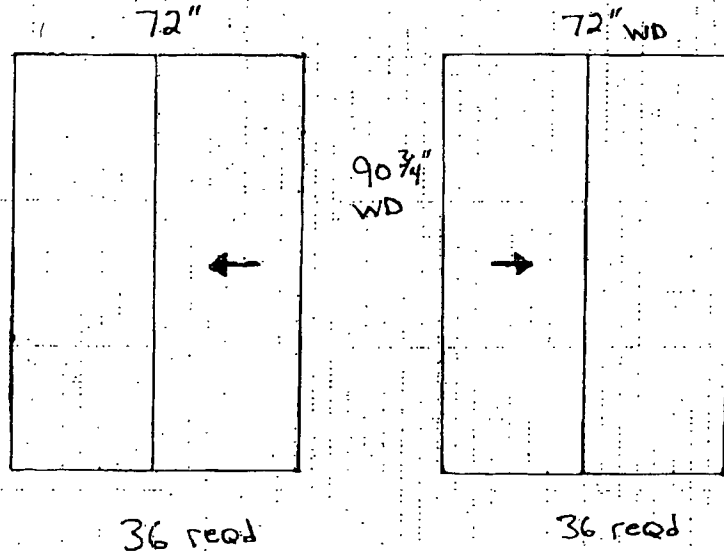
Architect _____

Contact _____

Finish _____

Series _____

Notes:



90 3/4"
 1 1/2" 2x4
 1 1/4" waterproofing
 2" Hems
 124 Sill



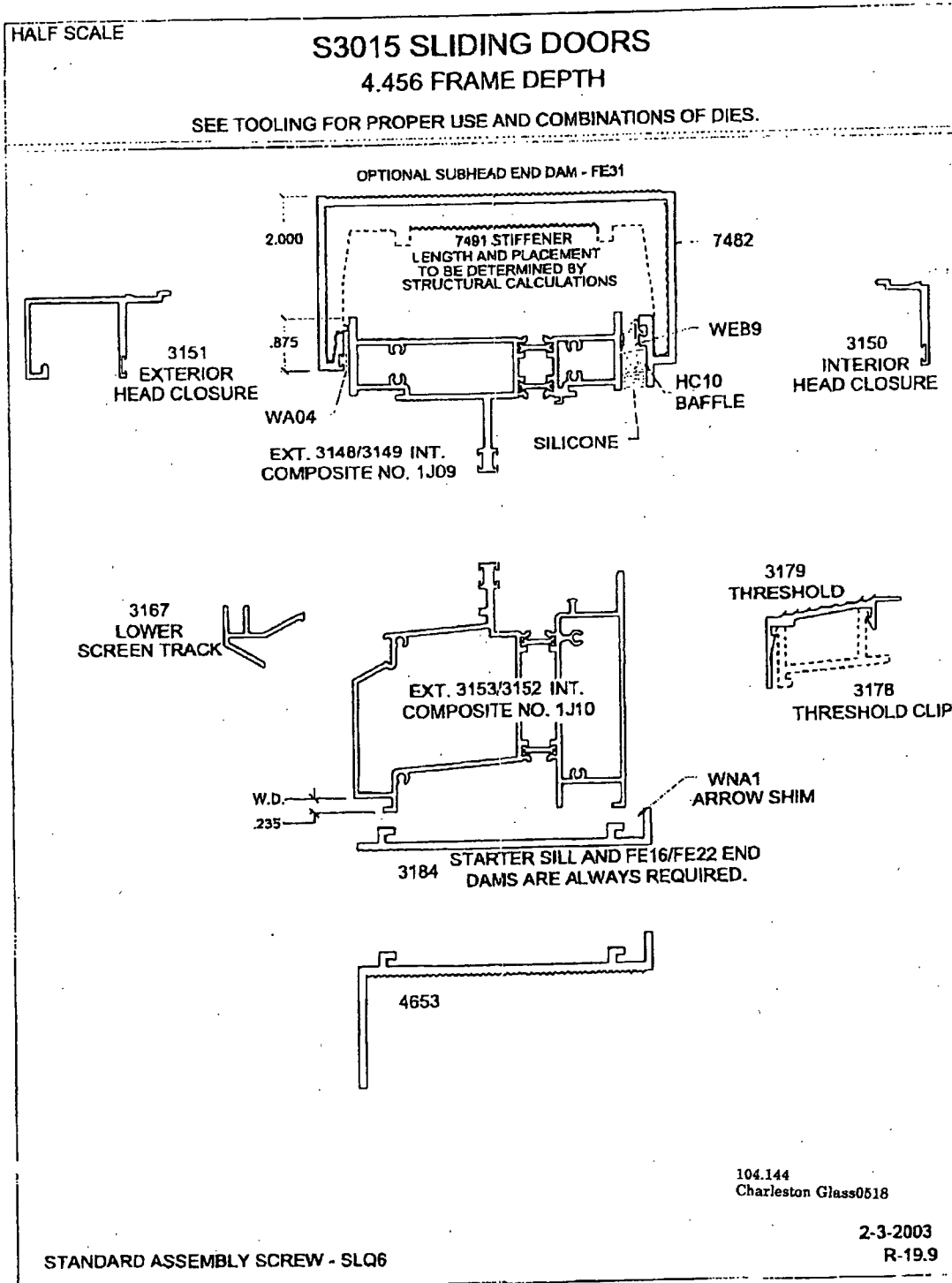
4101 Hardscrabble Road
 Columbia, SC 29223
 Phone: 803-788-9040
 Fax: 803-788-4201
 Email: gregj@wcjsales.com

Use as a drawing sheet

94 3/4"
 1 1/2" CAULK JOINT
 95 1/4"

104.144
 Charleston Glass0517

© 2003 EFCO Corporation
 502 L



*** Transmit Conf. Report ***

P.1

Jul 14 2004 16:37

Fax/Phone Number	Mode	Start	Time	Page	Result	Note
S042 GREG JOHNSTON	NORMAL	14,16:37	1'13"	4	* O K	

PAGE 03

WC JOHNSTON

8037884201

07/13/2004 16:53

CUSTOMER MAKE SIZE ORDER FOR

☒ JOB NAME: Shipwatch 2
☐ EFCO JOB #:

EFCO PRODUCT TYPES

WINDOW SERIES: 3015 SGD

SHIPPING INSTRUCTIONS
 SPECIAL SHIPPING INSTRUCTIONS REQUIRED

☐ YES
☐ NO

FINISH TYPE AND C

CLEAR
 ANODIZED

☐ CLASS 1 (L)
☐ CLASS 2 (L)
☐ CLASS 3 (L)

☒ COLOR
 ANODIZED

☒ CLASS I (AA-
☐ CLASS II (AA-
☐ COMMERCIAL

☒ DARK BRONZE
 RANGE

☐ MED BRI
 RANGE

☐ CHAMPAGNE
 RANGE

☐ BLACK

NOTE:
 COLOR ANODIZED (ULTRALOX) /
 AN APPROVED RANGE. EFCO C/
 SPECIFIC COLOR WITHIN ANY C

PAINT

☐ FLUROCRYL
☐ ACROFLUR
☐ TWO COAT

COLOR DESCRIF

APPROVAL & AUTHORIZA

SIGNATURE

104.144
 Charleston Glass0519

PAGE 04

01/21/2008 15:18

WC JOHNSON

8837884281

15:18

01/21/2008

character glass and mfr

8837884281

1-22-08
RTF afgm

446

CUSTOMER MAKE SIZE ORDER FORM SHEET 1 OF 1

☒ JOB NAME: Ship Watch II
☐ EFCD JOB #: 9-1562-01/0A
 DESIGN PRESSURE _____

EFCD PRODUCT TYPES

WINDOW SERIES: 3015 Sliding doors

FINISH TYPE AND COLOR:

☐ CLEAR
☐ ANODIZED

- ☐ CLASS 1 (AA-M12-C22-A41) 210-R1
☐ CLASS 2 (AA-M12-C22-A31) 204-R1
☐ CLASS 3 (AA-M12-C22-A21) 202-R1

☒ COLOR
☐ ANODIZED

- ☒ CLASS 1 (AA-M12-C22-A44) .7 MILL
☐ CLASS 2 (AA-M12-C22-A34) .4-.7 MILL
☐ COMMERCIAL - LESS THAN .4 MILL

☒ DARK BRONZE
 RANGE
☐ CHAMPAGNE
 RANGE

- ☐ MED. BRONZE
 RANGE
☐ LIGHT BRONZE
 RANGE
☐ BLACK

NOTE:
 COLOR ANODIZED (ULTRALOK) FINISHES ARE BASED ON
 AN APPROVED RANGE. EFCD CANNOT GUARANTEE A
 SPECIFIC COLOR WITHIN ANY GIVEN COLOR RANGE.

☐ PAINT

- ☐ FLUOROCRYL (30%)
☐ ACROFLUR (30%)
☐ TWO COAT
☐ KYNAR (70%)
☐ OTHER
☐ THREE COAT

COLOR DESCRIPTION:

SHIPPING INSTRUCTIONS

SPECIAL SHIPPING INSTRUCTIONS REQUIRED

- ☐ YES
☐ NO

APPROVAL & AUTHORIZATION SIGNATURE:

Valery
 SIGNATURE

1-21-08
 DATE

EXHIBIT

2

EFCD/Ship01398

WC JOHANSTON

WC JOHANSTON

81/21/2888 15:18 8837884261

WAT MAY ADMS 434 VD DEJ/06/9/01

GLAZING SCHEDULE

SHEET 2 OF _____

NOTE: DYCO RESERVES THE RIGHT TO SUPPLY, AT OUR DISCRETION ANY OF THE FOLLOWING SPACER TYPES. INSULATED GLASS UNITS WILL BE THE SAME FOR OVERLAP SPACER PROVIDED.

1) TUBULAR GLASS SPACER. 2) S.P.C. WARM EDGE SPACER. 3) ANY COMBINATION OF BOTH.

GLAZING TYPE	DESCRIPTION
(1)	1" IG (1/4" bronze temp. - 1/2" A.S. - 1/4" clear temp.)
(2)	
(3)	
(4)	

ANY SPECIAL FABRICATION INSTRUCTIONS

7482 Sub Frame e head

3124 Starter Sill

- ☐ BLINDS BLIND COLOR: _____
- ☐ 1" BLIND THICKNESS
- ☐ 5/8" BLIND THICKNESS

WINDOW HARDWARE:

LOCKING: SS. DEADLOCK - 21111 TITANIUM

OPERATING: Stainless Steel Rollers

OTHER: _____

- ☐ LIMITED OPENING (PROJECTED) _____
- ☐ SASH TRAVEL (HUNG/SLIDER) _____
- LIMIT DEVICE: _____

INSECT SCREENS

FLYSCREEN MESH	FLYSCREEN MESH
☒ CUPRISTAL	☒ CHARCOAL
☐ BRIDE COAT	☐ BRIDE COAT
☐ OTHER	☐ OTHER
TYPE: _____	TYPE: _____

No Alarm

7485

8437884261

81/21/2888 15:18

81-21-2888

3/3

EPCO CORPORATION
1000 County Road
Morrist, MO 65704
417-235-3193 800-221-4169
Fax 417-235-7318
www.epcoCorp.com

Date _____

Page _____ of _____

Bid Date _____

Job Number _____

Job Location _____

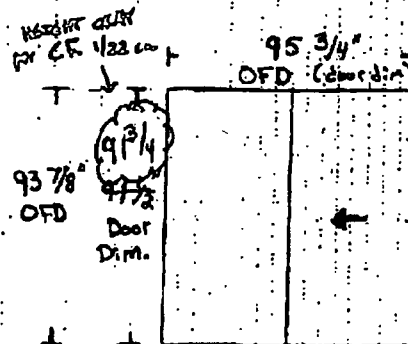
Architect _____

Contact _____

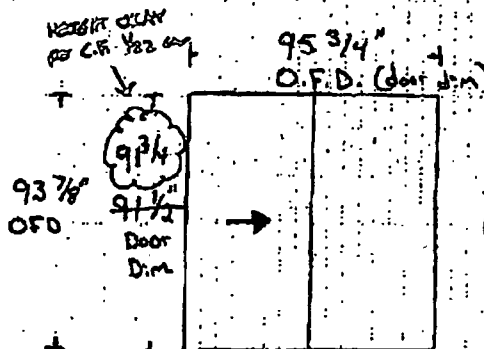
Finish _____

Series _____

Notes:



8 req'd



8 req'd

To: James
NOTE CHANGES.

thks

Handwritten signature

3 PAGES

WC JOHNSTON

4101 Hardacre Road
Columbia, SC 29223
Phone: 803-788-8040
Fax: 803-788-4201
Email: greg@wcjohnston.com

Use as a drawing sheet.

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646

WC JOHNSTON ARCHITECTURAL SALES

4101 Hardscrabble Rd.
Columbia, SC 29223

Phone: 803-788-9040

Fax: 803-788-4201

WINDOW ORDER RELEASE FORM

TO: Randy Morgan
Charleston Glass

FROM: James Stout
WCJ Architectural Sales

Please review the following information for accuracy. It is important to make sure all the information on this list is correct.

- ☒ • Finish
- ☒ • Sizes – Formulas for calculating sizes and where dimensions were taken from are included
- ☒ • Quantities
- ☒ • Glass
- ☒ • Hardware

After reviewing make necessary changes required and sign giving approval to release this material into production. All windows for this project will be released per the attached sheets and your corrections. These order sheets will take precedence over any previously submitted documents, drawings and verbal conversations.

Returned signed sheets by fax at your earliest convenience so production will not be delayed.

WCJ Architectural Sales

TO: JAMES

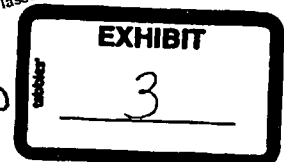
FROM: RANDY

5 PAGES

104.144
Charleston Glass 0228

PLEASE PROVIDE SHOP
DATE WHEN YOU REC.

2/16



CUSTOMER MAKE SIZE ORDER FORM SHEET 1 OF _____

☒ JOB NAME: Ship watch

☐ EFCO JOB #: _____

DESIGN PRESSURE _____

EFCO PRODUCT TYPES

WINDOW SERIES: 3015 Sliding glass door

[illegible]

SHIPPING INSTRUCTIONS

SPECIAL SHIPPING INSTRUCTIONS REQUIRED

☐ YES _____

☐ NO _____

FINISH TYPE AND COLOR:

**CLEAR
AND DIZED**

☐ CLASS 1 (AA-M12-C22-A41) 215-R1

CLASS 2 (AA-M12-C22-A31) 204-R1

CLASS 3 (AA-M12-C22-A21) 202-R1

~~COLOR
ANODIZED~~

☒ CLASS 1 (AA-M12-C22-A44) .7 MILL

☐ CLASS II (AA-M12-C22-A34) .4-.7 MILL

☐ COMMERCIAL - LESS THAN .4 MILL

☒ DARK BRONZE
RANGE

☐ MED. BRONZE
RANGE

☐ LIGHT BRONZE
RANGE

☐ CHAMPAGNE
RANGE

☐ BLACK

NOTE:
COLOR ANODIZED (ULTRALOK) FINISHES ARE BASED ON
AN APPROVED RANGE. EFCO CANNOT GUARANTEE A
SPECIFIC COLOR WITHIN ANY GIVEN COLOR RANGE.

PAINT

☐ FLUOROCRYL (30%)

☐ KYNAR (70%)

☐ ACROFLUR (50%)

☐ OTHER

☐ TWO COAT

☐ THREE COAT

COLOR DESCRIPTION:

APPROVAL & AUTHORIZATION SIGNATURE:

SIGNATURE _____ DATE _____

104.144
Charleston Glass0229

一

1005

GLAZING SCHEDULE

SHEET 2 OF _____

NOTE: EFCO RESERVES THE RIGHT TO SUPPLY, AT OUR DISCRETION ANY OF THE FOLLOWING SPACER TYPES. INSULATED GLASS WARRANTY WILL BE THE SAME FOR EITHER SPACER PROVIDED.
1) TUBULAR GLASS SPACER. 2) P.P.G. WARM EDGE SPACER. 3) ANY COMBINATION OF BOTH.

GLAZING TYPE	DESCRIPTION
(1)	1" IG (1/4" bronze temp. ext. - 1/2" A.S. - 1/4" clear temp. int.)
(2)	
(3)	
(4)	

ANY SPECIAL FABRICATION INSTRUCTIONS

7482 Sub head
4726 Starter Sill

☐ BLINDS BLIND COLOR: _____

☐ 1" BLIND THICKNESS

☐ 5/8" BLIND THICKNESS

WINDOW HARDWARE:

LOCKING: S.S. dead lock w/ thumbturn

OPERATING: Stainless Steel Rollers

OTHER: _____

☐ LIMITED OPENING (PROJECTED) _____

☐ SASH TRAVEL (HUNG/SLIDER) _____

LIMIT DEVICE _____

INSECT SCREENS

ALUMINUM MESH	FIBERGLASS MESH
☐ GUNMETAL	☒ CHARCOAL
☐ BRIT E COAT	☐ SILVER GRAY
☐ OTHER	☐ OTHER
TYPE: _____	TYPE: _____

 104.144
Charleson Glass0230

441



EFCO CORPORATION
1000 County Road
Monett, MO 65708
417-235-3193 800-221-4169
Fax 417-235-7313
www.efcocorp.com

Date _____

Page _____ of _____

Bid Date _____

Job Number _____

Job Location _____

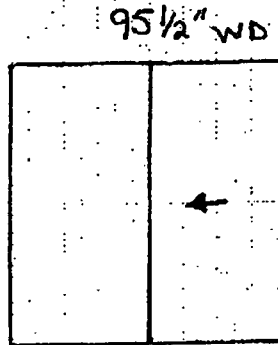
Architect _____

Contact _____

Finish _____

Series _____

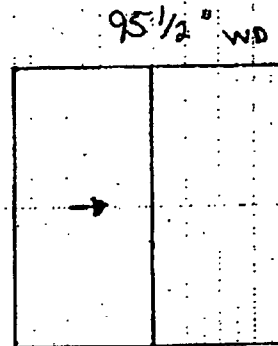
Notes:



7 read

89" W.D.

89 3/8
P



8 read

89" W.D.

89 3/8
P



4101 Hardscrabble Road
Columbia, SC 29223
Phone: 803-788-9040
Fax: 803-788-4201
Email: gregj@wcjsales.com

Use as a drawing sheet

104.144
Charleston Glass0231

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561

Transmission Report

Date/Time
Local ID 1
Local ID 2

12-24-2008
8437470188

10:26:13 a.m.

Transmit Header Text
Local Name 1
Local Name 2

charleston glass and mirror

This document: Confirmed
(reduced sample and details below)
Document size : 8.5"x11"

MS: JOHNSTON

PAGE 82

WC JOHNSTON ARCHITECTURAL SALES

4101 Hardscrabble Rd.
Columbia, SC 29223

Phone: 803-788-9040

Fax: 803-788-4201

WINDOW ORDER RELEASE FORM

TO: Randy Morgan
Charleston Glass

FROM: James Stuart
WCJ Architectural Sales

Please review the following information for accuracy. It is important to make sure all the information on this list is correct.

- OK - Finish
- OK - Sizes - Formulas for calculating sizes and where dimensions were taken from are included
- OK - Quantities
- OK - Glass
- OK - Hardware

After reviewing make necessary changes required and sign giving approval to release this material into production. All windows for this project will be released per the attached sheets and your corrections. These order sheets will take precedence over any previously submitted documents, drawings and verbal conversations.

Returned signed sheets by fax at your earliest convenience so production will not be delayed.

WCJ Architectural Sales

TO: JAMES
FROM: RANDY
5 PAGES

PLEASE PROVIDE SHIP
DATE WHEN YOU REC.

104.144
Charleston Glass0233

Total Pages Scanned : 5

Total Pages Confirmed : 5

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	533	8037884201	10:23:50 a.m. 12-24-2008	00:01:37	5/5	1	EC	HS	CP14400

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
CP: Completed
FA: Fail

TU: Terminated by user
TS: Terminated by system
RP: Report

G3: Group 3
EC: Error Correct

WC Johnston Architectural Sales

PHONE 803-788-9040

FAX 803-788-4201

FACSIMILE TRANSMITTAL SHEET

TO: Randy Morgan

FROM: James Stout

COMPANY: Charleston Glass

DATE: 12/23/2008

FAX NUMBER:

TOTAL NO. OF PAGES:

PHONE NUMBER:

SENDER'S REF. NUMBER:

REF:

YOUR REF. NUMBER:

Shipwatch

☐ URGENT☐ FOR REVIEW☐ PLEASE COMMENT☐ PLEASE REPLY**NOTES/COMMENTS:**

Randy,

Please check the following order. If everything is correct please sign the make size order in the space provided and fax back to me to release for production.

Please note that I have sent a detail of the subhead and starter sill to show you how the height was determined.

Please fax back tomorrow AM as I will be leaving early.

thanks

James

104.144
Charleston Glass0234

126

WC Johnston Architectural Sales

PHONE 803-788-9040

FAX 803-788-4201

FACSIMILE TRANSMITTAL SHEET

TO: Randy Morgan/Tracey

FROM: James Stout

COMPANY: Charleston Glass

DATE: 12/2/2009

FAX NUMBER:

TOTAL NO. OF PAGES:

PHONE NUMBER:

SENDERS REF. NUMBER:

REF:

YOUR REF. NUMBER:

Shipwatch

☐ URGENT☐ FOR REVIEW☐ PLEASE COMMENT☐ PLEASE REPLY

NOTES/COMMENTS:

Randy/Tracey

Please find attached the make size order that I need for you to check and sign if everything is correct. I based this on the last order, so please make sure that everything is correct.

The cost for these is \$25,569.00. I will add this to your purchase order if you do not have any objection.

I will not have a definite ship date until this is signed and sent to Efco, but they are running approximately eight weeks.

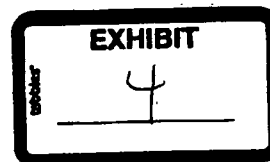
Please sign and fax back to release for production.

thanks

James

James Stout
12-2-09
Please shoot for
1-18-10
thanks
Ref

104.144
Charleston Glass 0471



WC JOHNSTON ARCHITECTURAL SALES

4101 Hardscrabble Rd.
Columbia, SC 29223

Phone: 803-788-9040

Fax: 803-788-4201

WINDOW ORDER RELEASE FORM

TO: Randy Morgan/Tracey
Charleston Glass

FROM: James Stout
WCJ Architectural Sales

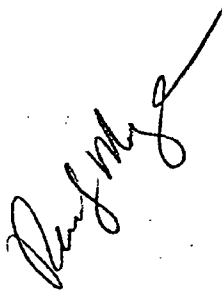
Please review the following information for accuracy. It is important to make sure all the information on this list is correct.

- Finish
- Sizes – Formulas for calculating sizes and where dimensions were taken from are included
- Quantities
- Glass
- Hardware

After reviewing make necessary changes required and sign giving approval to release this material into production. All windows for this project will be released per the attached sheets and your corrections. These order sheets will take precedence over any previously submitted documents, drawings and verbal conversations.

Returned signed sheets by fax at your earliest convenience so production will not be delayed.

WCJ Architectural Sales



104.144
Charleston Glass0472

295

CUSTOMER MAKE SIZE ORDER FORM SHEET 1 OF _____

☒ JOB NAME: Ship watch

☐ EFCO JOB #: _____

DESIGN PRESSURE _____

EFCO PRODUCT TYPES

WINDOW SERIES: 3015 sliding doors

[illegible]

SHIPPING INSTRUCTIONS

SPECIAL SHIPPING INSTRUCTIONS REQUIRED

☐ YES _____

☐ NO _____

FINISH TYPE AND COLOR:

CLEAR
ANODIZED

CLASS 1 (AA-M12-C22-A41) 215-R1

CLASS 2 (AA-M12-C22-A31) 204-R1

CLASS 3 (AA-M12-C22-A21) 202-R1

☒ CLASS 1 (AA-M12-C22-A44) .7 MILL

☐ CLASS II (AA-M12-C22-A34) .4-.7 MILL

☐ COMMERCIAL - LESS THAN .4 MILL

☒ DARK BRONZE
RANGE

☐ MED. BRONZE
RANGE

☐ LIGHT BRONZE
RANGE

☐ CHAMPAGNE RANGE

☐ BLACK

NOTE:
COLOR ANODIZED (ULTRALOK) FINISHES ARE BASED ON
AN APPROVED RANGE. EFCO CANNOT GUARANTEE A
SPECIFIC COLOR WITHIN ANY GIVEN COLOR RANGE.

PAINT

☐ FLUOROCRYL (30%)

☐ KYNAR (70%)

☐ ACROFLUR (50%)

☐ OTHER

☐ TWO COAT

☐ THREE COAT

COLOR DESCRIPTION:

APPROVAL & AUTHORIZATION SIGNATURE:

SIGNATURE

DATE _____

104.144
Charleston Glass0473

GLAZING SCHEDULE

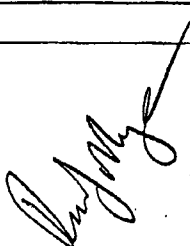
SHEET 2 OF _____

NOTE: EFCO RESERVES THE RIGHT TO SUPPLY, AT OUR DISCRETION ANY OF THE FOLLOWING SPACER TYPES. INSULATED GLASS WARRANTY WILL BE THE SAME FOR EITHER SPACER PROVIDED.
 1) TUBULAR GLASS SPACER. 2) P.P.G. WARM EDGE SPACER. 3) ANY COMBINATION OF BOTH.

GLAZING TYPE	DESCRIPTION
(1)	1" IG (1/4" bronze temp. - 1/2" A.S. - 1/4" clear temp.)
(2)	
(3)	
(4)	

ANY SPECIAL FABRICATION INSTRUCTIONS

7482 Subframe & head
 3184 Starter Sill


☐ BLINDS BLIND COLOR: _____

☐ 1" BLIND THICKNESS

☐ 5/8" BLIND THICKNESS

WINDOW HARDWARE:

LOCKING: S.S. dead lock w thumb turn

OPERATING: S.S. Rollers

OTHER: _____

☐ LIMITED OPENING (PROJECTED) _____

☐ SASH TRAVEL (HUNG/SLIDER) _____

LIMIT DEVICE _____

INSECT SCREENS

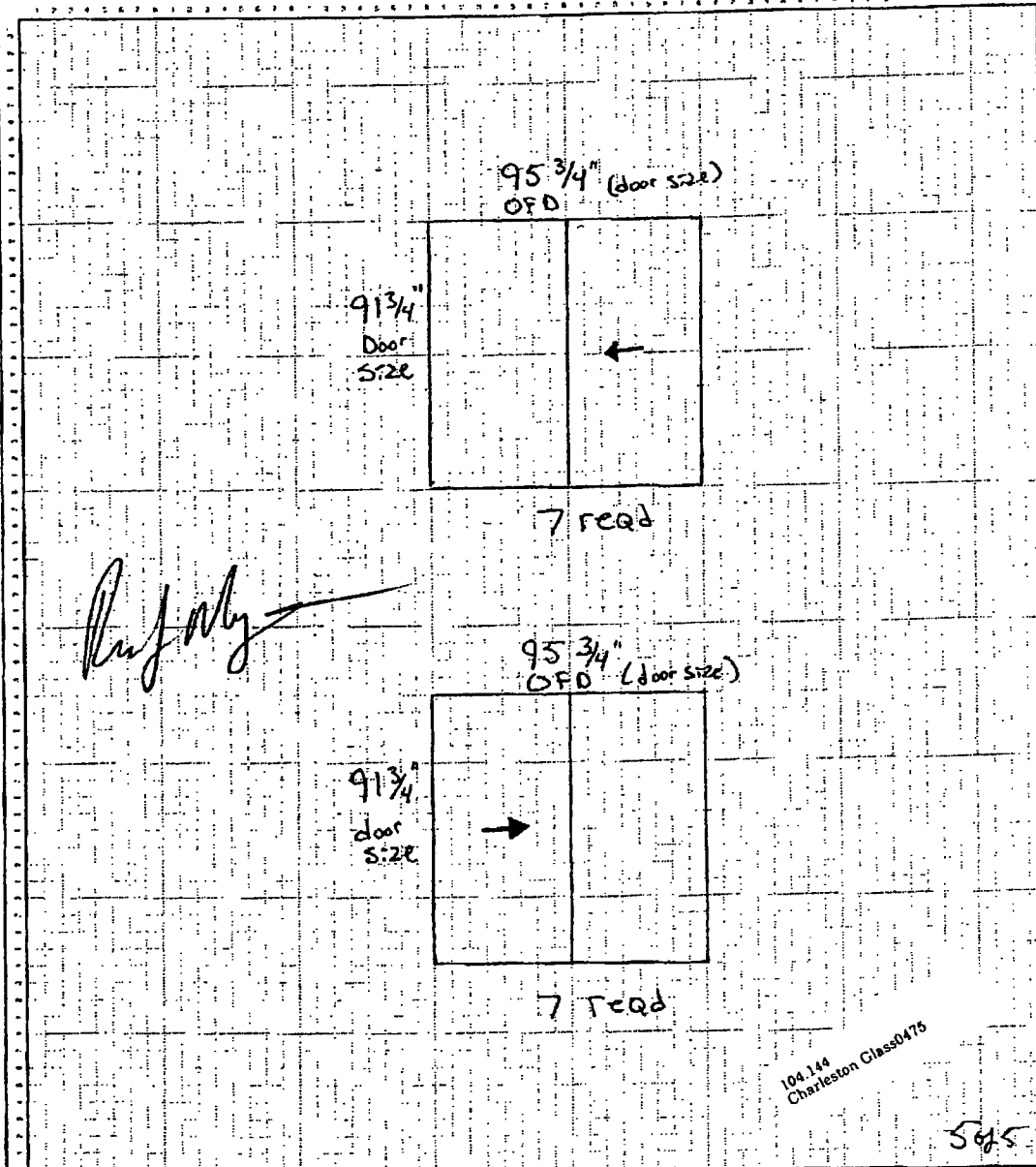
ALUMINUM MESH	FIBERGLASS MESH
☐ CURNMETAL	☒ CHARCOAL
☐ BRITE COAT	☐ SILVER GRAY
☐ OTHER	☐ OTHER
TYPE: _____	TYPE: _____

 104.144
 Charleson Glass0474



4101 Hardscrabble Road
Columbia, SC 29223
Phone: 803-788-9040
Fax: 803-788-4201

JOB _____
SHEET NO. _____ OF _____
CALCULATED BY _____ DATE _____
CHECKED BY _____ DATE _____
SCALE _____



Transmission Report

Date/Time
Local ID 1
Local ID 2

12-02-2009
8437470188

01:27:38 p.m.

Transmit Header Text
Local Name 1
Local Name 2

charleston glass and mirror

This document : Confirmed
(reduced sample and details below)
Document size : 8.5"x11"

WC Johnston Architectural Sales

PHONE 803-788-9040

FAX 803-788-4201

FACSIMILE TRANSMISSION SHEET

TO: Randy Morgan/Tracey		FROM: James Stout	
COMPANY: Charleston Glass		DATE: 12/2/2009	
FAX NUMBER:		TOTAL NO. OF PAGES:	
PHONE NUMBER:		SENDER'S REF. NUMBER:	
REF: Shipwatch		YOUR REF. NUMBER:	
☐ URGENT ☐ FOR REVIEW ☐ PLEASE COMMENT ☐ PLEASE REPLY			

NOTES/COMMENTS:

Randy/Tracey

Please find attached the make size order that I need for you to check and sign if everything is correct. I based this on the last order, so please make sure that everything is correct.

The cost for these is \$25,569.00. I will add this to your purchase order if you do not have any objection.

I will not have a definite ship date until this is signed and sent to Elico, but they are running approximately eight weeks.

Please sign and fax back to release for production.

thanks

James

Randy Morgan
 12-2-09
 Please shoot for
 1-18-10
 Hunt's
 Ray

104.144
 Charleston Glass0476

105

Total Pages Scanned : 5

Total Pages Confirmed : 5

No.	Job	Remote Station	Start Time	Duration	Pages	Line	Mode	Job Type	Results
001	472	8037884201	01:25:44 p.m. 12-02-2009	00:01:02	5/5	1	EC	HS	CP26400

Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
CP: Completed
FA: Fail

TU: Terminated by user
TS: Terminated by system
RP: Report

G3: Group 3
EC: Error Correct

GLAZING SCHEDULE

NOTE: EFCO RESERVES THE RIGHT TO SUPPLY, AT OUR DISCRETION ANY OF THE FOLLOWING SPACER TYPES. INSULATED GLASS WARRANTY WILL BE THE SAME FOR EITHER SPACER PROVIDED.
1) TUBULAR GLASS SPACER. 2) P.P.G. WARM EDGE SPACER. 3) ANY COMBINATION OF BOTH.

GLAZING TYPE	DESCRIPTION
(1)	1" IG (1/4" bronze temp - 1/2" A.S. - 1/4" clear temp.)
(2)	
(3)	
(4)	

ANY SPECIAL FABRICATION INSTRUCTIONS

7482 Sub head
3184 starter still

SHEET 2 OF _____

☐ BLINDS BLIND COLOR: _____

☐ 1" BLIND THICKNESS

☐ 5/8" BLIND THICKNESS

WINDOW HARDWARE:

LOCKING: S.S. dead lock w/ thumbturn

OPERATING: S.S. Rollers

OTHER:

☐ LIMITED OPENING (PROJECTED)

☐ SASH TRAVEL (HUNG/SLIDER)

LIMIT DEVICE _____

INSECT SCREENS

ALUMINUM MESH	FIBERGLASS MESH
☐ GUNMETAL	☒ CHARCOAL
☐ BRITE COAT	☐ SILVER GRAY
☐ OTHER	☐ OTHER
TYPE: _____	TYPE: _____

WILKINSON4101 Hardscrabble Road
Columbia, SC 29223
Phone: 803-788-9040
Fax: 803-788-4201

JOB _____

SHEET NO. _____

OF _____

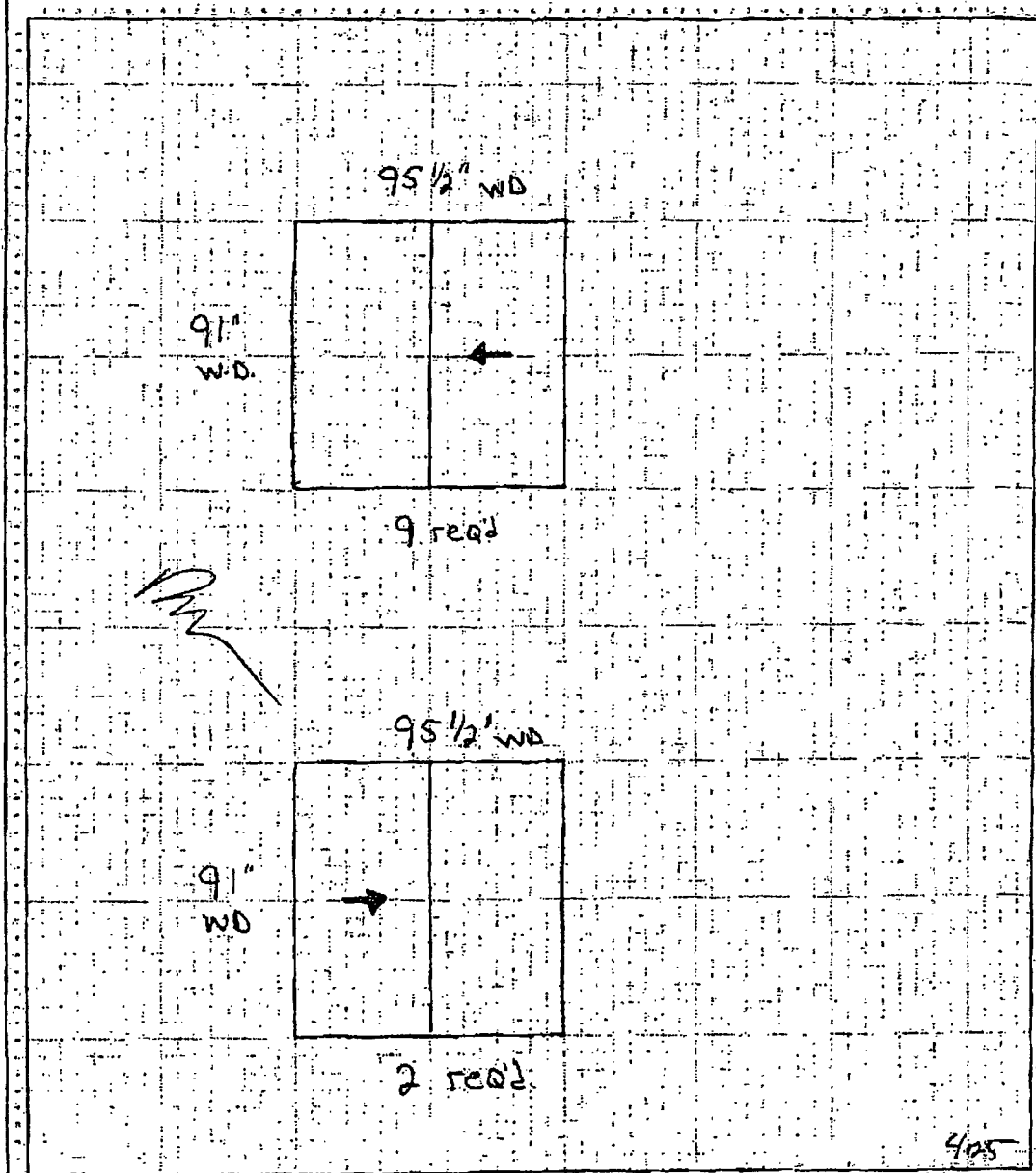
CALCULATED BY _____

DATE _____

CHECKED BY _____

DATE _____

SCALE _____



WCJAI 022



WINDOWS • CURTAIN WALLS • ENTRANCES • STOREFRONTS

w w w . e f c o c o r p . c o m

EFCO CORPORATION LIMITED WARRANTY

EFCO CORPORATION warrants to the first retail purchaser only, that all articles, materials and work will be free from material defects in manufacture. EFCO Corporation's liability extends only to its buyer and is limited to repair or replacement of defective material.

EFCO CORPORATION'S warranty on the product(s) shall extend from the issue date as follows:

Glass	10 year(s)
Window	3 year(s)
Storefront	Not Applicable
Curtainwall	Not Applicable
Finish	Not Applicable

EFCO CORPORATION excludes any implied warranties of merchantability and fitness for a particular purpose.

EFCO's liability will not extend beyond repair or replacement of the defective material. EFCO will not be responsible for any consequential damages caused by its products.

There are no warranties which extend beyond the description on the face hereof.

Job Name: SHIPWATCH II
EFCO Job No.: 0785302
Customer Name: CHARLESTON GLASS COMPANY
Issue Date: 2003-12-22

Architectural Window, Curtain Wall
Storefront Systems

See reverse side for additional terms and conditions.

EXHIBIT

tabbies

6

HEADQUARTERS: EFCO CORPORATION • 1000 COUNTY ROAD • MONETT, MO 65708 • 800.221.4169 • FAX: 417.235.7313

WARRANTY TERMS AND CONDITIONS

PRODUCTS LIMITED WARRANTY

The limited warranty for INSULATED GLASS UNITS warrants the glass units will be free from material obstruction of vision as a result of dust or film formation on the internal glass surfaces caused by failure of the hermetic seal due to defects in material or workmanship.

The limited warranty for BAKED-ON FLUOROPOLYMER PAINT COATINGS warrants that paint finishes will not chip, crack, blister, or peel.

WHAT EFCO CORPORATION WILL DO

If any material shall be found to be defective in material or workmanship, such material shall be replaced or repaired at the option of EFCO, after inspection by a representative of EFCO, and with the consent of EFCO, without charge.

If after inspection by EFCO, it is determined the organic coating became defective under the conditions of this warranty, EFCO agrees to refinish the defective material on the site, with a conventional refinishing material as specified by EFCO.

EXCLUSIONS TO THE LIMITED WARRANTY

EFCO CORPORATION will not be responsible for defects caused by accidents, modification to products, abuse, (including failure to perform reasonable and necessary maintenance), failure to follow instructions, exposure to salt spray, corrosive chemicals, lightning, fire, and other acts of nature. All outside manufactured parts will be limited to the specific manufacturer's warranty and are expressly excluded from the EFCO limited warranty.

EFCO shall not be liable for materials damaged in handling or installation; or not installed in accordance with the EFCO Installation Manual Guidelines.

EFCO assumes no responsibility for failure of insulated glass units on account of faulty installation, building construction, or building design; or failure of units installed in high moisture environments such as swimming pool enclosures and greenhouses. EFCO does not assume responsibility for glass breakage caused by stresses resulting from temperature differentials over the glass surfaces or edges.

The EFCO limited warranty excludes any damage caused to the material or finish due to post forming.

The EFCO limited warranty excludes any liability for environmental hazards including but not limited to mold.

The EFCO limited warranty extends to EFCO manufactured product only, as outlined in AAMA 502-90, test method A. Perimeter conditions, caulking, sealants, etc. are explicitly excluded from the EFCO limited warranty. The EFCO limited warranty is based upon the system itself, no consideration is given to the method of installation.

WHAT EFCO WILL NOT DO

EFCO will not be responsible or liable for any incidental, consequential or collateral damages or for any expense incurred by anyone as a result of the use, or sale of defective or unsatisfactory material.

Any implied warranty arising from course of performance, course of dealing, or usage of trade is hereby excluded or disclaimed.

EFCO shall not be liable for back charges nor any work performed or materials placed by anyone other than EFCO in connection with the installed products covered by this warranty, except when authorized over the signature of an officer of the EFCO CORPORATION.

Materials will not be repaired or replaced until paid for in full.

This warranty sets forth all the responsibilities of EFCO CORPORATION regarding the products. EFCO will not be responsible for any costs or damages resulting from removal, installation or reinstallation of any products or components. Replacement of defective parts at the EFCO factory is the exclusive remedy. There are no other expressed or implied warranties from EFCO.



EFCO CORPORATION

1000 County Road - Monett, MO 65708 - 800.221.4169

EFCO CORPORATION LIMITED WARRANTY

EFCO CORPORATION warrants to the first retail purchaser only, that all articles, materials and work will be free from material defects in manufacture. EFCO Corporation's liability extends only to its buyer and is limited by the Terms and Conditions stated on the reverse side of this form.

EFCO CORPORATION'S warranty on the product(s) shall extend from the issue date as follows:

Glass	10 year(s)
Window	3 year(s)
Storefront	Not Applicable
Curtainwall	Not Applicable
Finish	Not Applicable

EFCO CORPORATION excludes any implied warranties of merchantability and fitness for a particular purpose.

EFCO's liability will not extend beyond repair or replacement of the defective material. EFCO will not be responsible for any consequential damages caused by its products.

There are no warranties which extend beyond the description on the face hereof.

Job Name: SHIP WATCH II

EFCO Job No.: 9156101

Customer Name: CHARLESTON GLASS COMPANY

Issue Date: 2008-02-26

Rep: 3300

**Architectural Window, Curtain Wall
Storefront Systems**

See reverse side for additional terms and conditions.

EXHIBIT

7

Where windows are just the beginning.

WARRANTY TERMS AND CONDITIONS

PRODUCTS LIMITED WARRANTY

The limited warranty for INSULATED GLASS UNITS warrants the glass units will be free from obstruction of vision as a result of dust or film formation on the internal glass surfaces caused by failure of the hermetic seal due to defects in material or workmanship.

The limited warranty for BAKED-ON FLUOROPOLYMER PAINT COATINGS warrants that paint finishes will not chip, crack, blister, or peel. EFCO Corporation does not warrant any paint finishes for filiform corrosion in Coastal environment.

Corrosion of any product or component caused by exposure to salt atmosphere, acid rain, alkaline, or other extreme conditions is not covered. EFCO disclaims all liability for and with respect to any material which has been subject to abuse, alteration, modification, neglect, misuse, abnormal use, accident, fire, war, flood, earthquakes, or acts of God.

This warranty covers factory-applied finishes on exposed aluminum surfaces against peeling, checking, cracking, chalking, and change of color, per applicable AAMA standards 2603, 2604, 2605, or 611 in force at the time of bidding. This limited warranty applies only when the finish types recommended for the atmospheric environment of the project site are used. EFCO reserves the right to refinish defective components in the field or replace at its sole discretion.

WHAT EFCO CORPORATION WILL DO

If any material shall be found to be defective by EFCO in material or workmanship, such material shall be replaced or repaired at the option of EFCO, after inspection by a representative of EFCO, and with the consent of EFCO, without charge.

If after inspection by EFCO, it is determined the organic coating became defective under the conditions of this warranty, EFCO agrees to refinish the defective material on the site, with a conventional refinishing material as specified by EFCO.

EXCLUSIONS TO THE LIMITED WARRANTY

EFCO CORPORATION will not be responsible for defects caused by accidents, modifications to products, abuse, (including failure to perform reasonable and necessary maintenance), failure to follow instructions, exposure to salt spray, corrosive chemicals, lightning, fire, and other acts of nature. All outside manufactured parts will be limited to the specific manufacturer's warranty and are expressly excluded from the EFCO limited warranty.

EFCO shall not be liable for material damaged in handling or installation; or not installed in accordance with the EFCO Installation Manual Guidelines.

EFCO assumes no responsibility for failure of insulated glass units due to faulty installation, building construction, or building design; or failure of units installed in high moisture environments such as swimming pool enclosures and greenhouses. EFCO does not assume responsibility for glass breakage caused by stresses resulting from temperature differentials over the glass surfaces or edges.

The EFCO limited warranty excludes any damage caused to the material or finish due to posting.

The EFCO limited warranty excludes any liability for environmental hazards including but not limited to mold.

The EFCO limited warranty extends to EFCO manufactured product only, as outlined in AAMA 502-90, test method A. Perimeter conditions, caulking, sealants, etc. are explicitly excluded from the EFCO limited warranty. The EFCO limited warranty is based upon the system itself, it does not warrant the installation of the system.

EFCO Corporation excludes any implied warranties of merchantability and fitness for a particular purpose. EFCO Corporation will not be responsible for incidental or consequential damages.

WHAT EFCO WILL NOT DO

EFCO CORPORATION will not be responsible or liable for any incidental, consequential, or collateral damages or for any expense incurred by anyone as a result of the use, or sale of defective or unsatisfactory material.

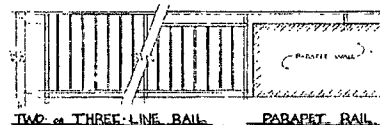
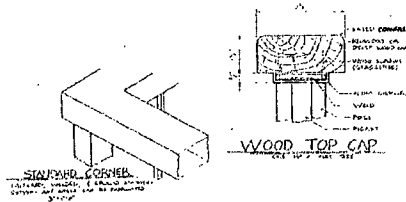
Any implied warranty arising from course of performance, course of dealing, or usage of trade is hereby excluded or disclaimed.

EFCO shall not be liable for back charges nor any work performed or materials placed by anyone other than EFCO in connection with the installed products covered by this warranty, except when authorized by the signature of an officer of the EFCO CORPORATION.

Materials will not be repaired or replaced until paid for in full.

The warranty sets forth all the responsibilities of EFCO CORPORATION regarding the products. EFCO will not be responsible for any costs or damages resulting from removal, installation or reinstallation of any products or components. Replacement of defective parts at the EFCO factory is the exclusive remedy. There are no other express or implied warranties from EFCO Corporation.

QAF 19.16, Rev. 0, November 1st, 2005



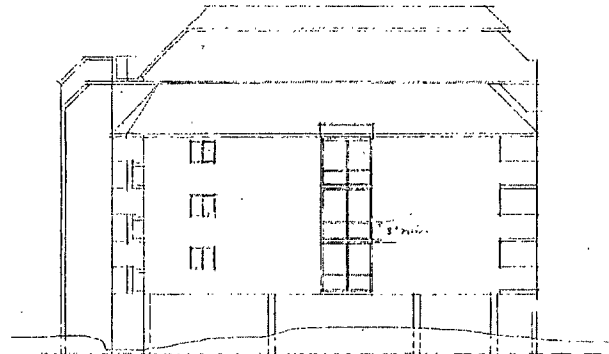
OCEAN SIDE RAILS - WOOD CAP - 1/2" x 1 1/2"

street windows

L1 - 6
L2 - 6
L3 - 6
L4 - 8

26/
BLOR

104/proj

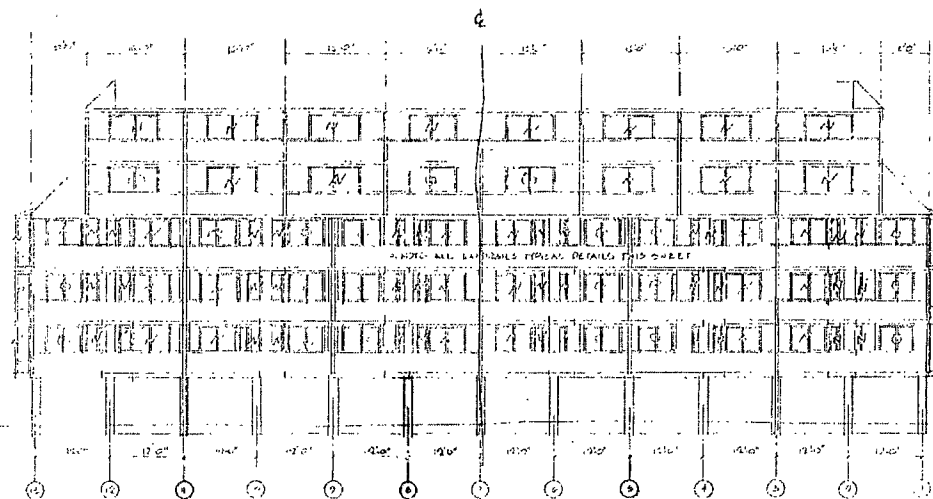


SOUTH ELEVATION - 1/8"

N - New
O - Old

New Sliders - 31
New Fixed - 36
Old Sliders - 21
Old Fixed - 0

See D-2/notes
1/2"



EAST ELEVATION - 1/8"

End
3 6' sliders/end
6 6' sliders/bldg
24 6' sliders/project

Building A

15 street
5 8' sliders/BLOR
32 8' sliders/project

Clear Project
64 8' sliders
144 6' sliders
144 3' fixed

8 8' sliders
8 8' sliders
12 6' sliders
12 3' fixed

16 8' sliders
36 6' sliders
36 3' fixed

REVISION	BY

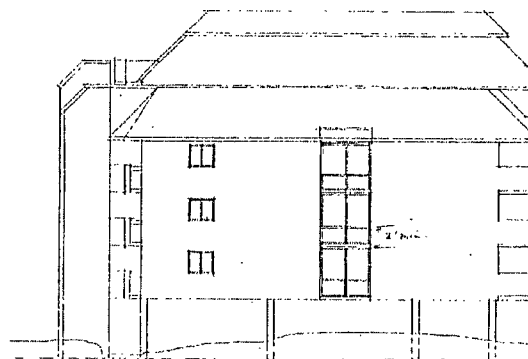
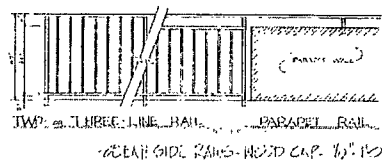
DRAKE
DEVELOPMENT CORPORATION

Shapard
Shapard
Shapard

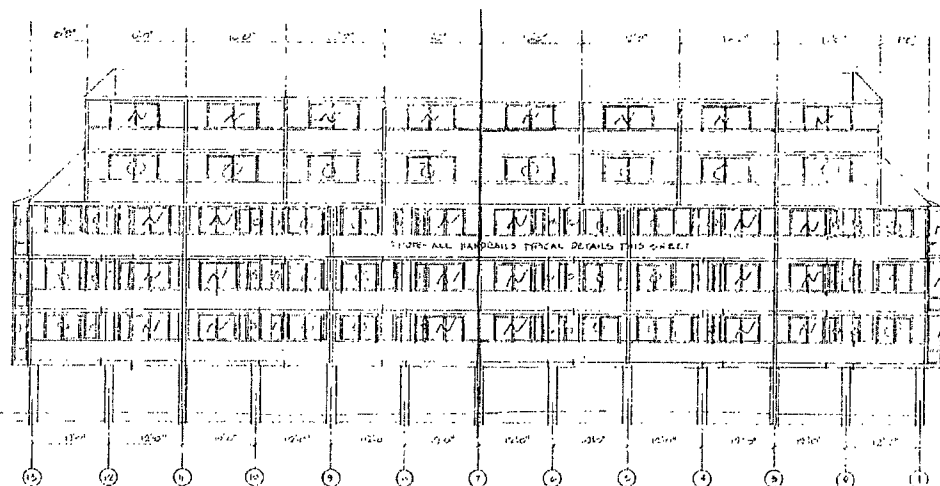
REVISION	BY

DEPOSITION
EXHIBIT

1/25/05



• SOUTH ELEVATION - 18



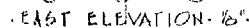
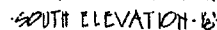
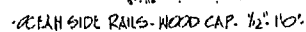
• EAST ELEVATION • 1/8"

Building C

Est. Value/Comp.	



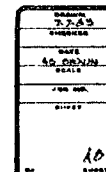
000000
 7-7-63
 CHARGED
 DATE
 9-10-70
 BY
 JCS PCH
 10
 00 CHARGE



New Slides - 26
New Fixed - 0
Old Slides - 26
Old Fixed - 36

TOTAL	OCEAN	A	B	C	D	
New	Slide	31	28	26	26	111
New	Fixed	36	36	0	0	72
Old	Slide	26	24	26	26	97
Old	Fixed	0	0	36	36	72

Building D



4

CAROLINA CONCRETE SYSTEMS, INC.

PROPOSAL

September 6, 2007

MS. LINDA JERNIGAN
Shipwatch at Wild Dunes
7600 Palmetto Drive
Isle of Palms, S.C. 29451

Re: SLIDING GLASS DOOR REMOVAL AND REPLACEMENT AND TEMPORARY
REPAIRS TO EXISTING DOORS NOT BEING REPLACED

Dear MS. JERNIGAN,

Enclosed is our proposal for the replacement of the 4th and 5th floor beachfront
balcony doors.

We will remove old sliding glass doors, repair concrete under sill and install a
1 1/2" raised concrete curb to install new doors on. We will apply Sonneguard Base
coat waterproofing over the new curb and will then install the new EFCO sliding glass
door. Once installed, we will then repair the stucco around the outside of the slider
and the drywall around the inside of the new door. We will touch up the Sonneguard
Top Coat deck coating along the new door threshold.

Our price does not include any repair to the metal studs that support the doors
or the new installed wall studs, for we do not know the extent of any damage at this
time. The doors, have been leaking since the new duroc stucco wall system was
installed 2 years ago, and has allowed water to enter the wall and has probably
damaged the metal studs in the wall.

This proposal does not include any mold remediation or repairs to interior
finishes.

Our proposal includes supervision, labor, equipment and material unless
otherwise specified, to complete the project as described in our scope of work.

The price for the removal and replacement with new doors will be in the amount of
\$10,600.00 each. The price for the removal and installation of a sill pan with end
dams and recaulking and repairing the stucco and drywall on the existing old sliding
glass doors will be in the amount of **\$4,310.00** each.

**DEPOSITION
EXHIBIT**

JERNIGAN 103

PL 05112

August 12, 2008

We have not been able to secure a price for the impact resistant glass yet but are still working on this price.

Sincerely,

Bob Wiggins

843-588-6721 FAX-843-588-6722

P.O. BOX 13149, CHARLESTON, S.C. 29422

door	3,855.00
instal	6,745.00
Total	10,600.

PL 05113

From: Gary Freeman <gary@garyfreemanarchitect.com>
Sent: Wednesday, November 3, 2010 7:01 PM
To: Bob Wiggins <ccsrockdoc@aol.com>
Cc: Linda Jernigan <iopship@bellsouth.net>
Subject: Shipwatch Condominiums

**DEPOSITION
EXHIBIT**

JERNIGAN 129

Bob,

Yesterday, I received the attached from Linda. It originated with Randy Morgan.

I called Mr. Broadway to discuss his calculations hoping he would answer some of my concerns. He told me that he had received a one page fax from Randy requesting he look at the storefront framing and provide a calculation on the framing for a 30 psf rating. I asked Mr. Broadway if the 30 psf was adequate and he said he wasn't sure and that he'd have to do a complete calculation and code search. He only based his calculation on what Randy gave him. When asked what he'd expect to be a DP requirement for this building type at the ocean, he said something more in the range of 40 to 45 psf or higher. He said that he knew nothing about the building - not location or size or anything.

I then called Randy and did go no satisfaction on his answers either. He said he had based his 30 psf requirement on the psf rating of the slider doors that were installed some time ago. He did not know if there was a drawing, design, specification or whatever that required any of this. When asked about the installation and fastener spacing, he said that "they are being installed as they always do and that he had asked his guys to add another screw to both jambs to give them better strength once he heard I had asked the questions.

I spoke to Brian Pietras to get his opinion on storefront windows three stories above parking like Shipwatch. He agreed that they should probably be in the range of 45 psf. He also said they'd probably need to be impact rated.

This info received yesterday does not answer my questions. I see nothing about fastener spacing. Nor do I see anything stating what the code required DP rating of the windows should be or if they are "impact rated" or not. What concerns me is that over 50% of the windows have been installed and as I understand it, slider door install is to begin next week. So here are the same questions I asked originally on 10/20.

1. What DP rating is required for these windows?
2. What EFCO window type is being used?
3. Pass along the testing data for that particular window type. I'll want to see the fastener configuration required for the window assembly to meet the desired test.
4. Are the windows impact rated? Is it required?

Please respond to me on what you intend to do to clear this matter up.

Gary D. Freeman, AIA, CCS
President
Gary Freeman Architect Inc.
1468 Diamond Boulevard
Mt. Pleasant, SC 29466
c 843.693.2149
f 843.884.6506

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PL022008

From: Gary Freeman <gary@garyfreemanarchitect.com>
Sent: Friday, November 5, 2010 6:09 PM
To: Bob Wiggins <ccsrockdoc@aol.com>
Cc: Linda Jernigan <iopship@bellsouth.net>
Subject: Shipwatch

**DEPOSITION
EXHIBIT**

JERNIGAN 130

Bob,

I would like to meet with you, Randy Morgan, and Linda next Wednesday afternoon at 2:30 p.m. to discuss the design and installation of the storefront window system. As you read in my email Wednesday, I am not satisfied with the response I received this week from Randy. Please bring all the requested information to that meeting so that we can discuss the issues.

1. What is the designed window system to be installed? I.e. product model number and manufacturer.
2. What is the required design pressure rating per the design documents OR what is the DP rating of the "installed" system?
3. What I'm particularly interested in is the required screw type and spacing for the units.
4. Is Impact Glazing required?

These questions will also apply to the slider doors that are going to be installed beginning next week. Please call me prior to the meeting so that we can discuss.

Gary D. Freeman, AIA, CCS

President
Gary Freeman Architect Inc.
1469 Diamond Boulevard
Mt. Pleasant, SC 29468
c 843.693.2149
f 843.884.6506

The information contained in this transmission is privileged and confidential. It is intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone or by email at gary@garyfreemanarchitect.com by replying to this message and destroy all copies of this message and all attachments.

PL022014

10 pages

CHARLESTON GLASS COMPANY
4231 SPRUILL AVENUE
NORTH CHARLESTON, SC 29405
(843) 747-7371
(843) 747-0188

DEPOSITION
EXHIBIT

JERVIGAN 132

November 11, 2010

TO: CAROLINA CONSTRUCTION
ATT: BOB WIGGINS
FROM: RANDY MORGAN
RE: SHIPWATCH

Over the last several years we have installed non impact patio sliders based on the SBC1997 Building Code and request from Shipwatch directors and Carolina Concrete. We also have 11 more sliders that are non impact ready to install.

We have just currently installed 72 fixed windows based on our previous contracts, proposals, conversations and this building code.

I have enclosed test reports that the sliders exceed the requirements of the SBC1997 and I previously submitted a report from Jason Broadway and a performance sheet on the glass that states the same. I have also enclosed my drawing that they made there calculations from.

We will verify the head attachments and if required add (3) #14 screws to this area today.

If I can be of further assistance please don't hesitate to call.

Randy Morgan

Fixed Storefront Windows

Vista Wall - 3000 Thermal
Same as Bay Window

- Jason Broadway

CCS 1505

From: Gary Freeman <gary@garyfreemanarchitect.com>
Sent: Friday, November 12, 2010 1:36 PM
To: Linda Jernigan <iopship@bellsouth.net>
Subject: Shipwatch at Wild Dunes

**DEPOSITION
EXHIBIT**
JERNIGAN 133

Linda,

I would like to offer the following findings and opinions based on my review of information presented to me on the project that is currently underway at Shipwatch.

1. The aluminum storefront and glazing system that has been installed at the oceanfront window openings of the first three floors of Buildings A and B does not meet the current building code requirements for impact resistant systems. The framing system used according to CCS is an EFCO system. I have requested on several occasions the specific model or system number but have not received that information yet. According to EFCO the system that they manufacture that has been tested to meet impact requirements is the S526 System. The size of the S526 frame members is 5" x 2 1/2". The size of the frames that are being used at Shipwatch are 4 1/2" x 2" in size.
2. According to the Isle of Palms Building Department, windows on the first three floors of buildings on the oceanfront must meet a Design Pressure rating of 50 min. and they must be "impact rated" or otherwise the opening must have protection such as shutters, plywood, etc. This applies to both new and existing construction. I have asked on several occasions what the tested rating for the windows are at Shipwatch. According to EFCO, they have no test information on their "basic" storefront window systems supporting the impact code requirements other than the system mentioned earlier.
3. The permit that CCS is using for the current construction was issued in the 2003 time frame when the first part of the work began. That work is ongoing as part of a multi-phased approach now in its 7th year. Bob told me that the work currently being done (namely the windows) meets the 1997 ed. of the Standard Building Code which according to Bob was the code in effect when the permit was issued in 2003. He believes that the permit is still in effect. My research on the IOP website indicates that "work must be commenced within 6 months or the permit will be revoked". I do not believe that the original permit is still valid for the work being done today nor do I believe that the code that the original work may have met still applies to the current work 7 years later.
4. The AIA contract that I received yesterday is not dated and the copy I received was not signed by a representative of the regime. Is there a signed copy? I am listed as the architect. That is not true as there was no original design architect. I am; however, providing architectural services in the form of limited construction administration per my agreement with the regime initiated by me on 9/21/2010.
5. The only design document mentioned in the contract is the proposal from CCS dated 4/26/2010. On the last page of that letter, it says that "This proposal does not include bonds, permits or fees required by the City or County to perform this project. Once a contract is awarded, these fees will be included in the contract amount and will be payable once we have mobilized to the site and started repairs." According to Bob Wiggins, the current contract amount does not include costs for permits and as mentioned earlier in this email, the project is being constructed under the original permit.

If you have any questions based on these statements, please do not hesitate to call.

Gary D. Freeman, AIA, CCS
President
Gary Freeman Architect Inc.
1469 Diamond Boulevard
Mt. Pleasant, SC 29466
c 843.693.2149
f 843.884.8506

PL022027

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PL022028

Shipwatch

Gary Freeman

From: Shipwatch [lopship@bellsouth.net]
Sent: Tuesday, December 07, 2010 10:30 AM
To: 'Gary Freeman'
Subject: RE: Shipwatch Slider Doors

**DEPOSITION
EXHIBIT**

JERNIGAN 134

Gary,

The board considers the sliding doors regular maintenance, they chose the doors they wanted and approved the installation in 2002, so is not requesting your assistance in this project.

I will call Bob right now about the Vista Wall information you are requesting.

Thanks
Linda

From: Gary Freeman [mailto:gary@garyfreemanarchitect.com]
Sent: Tuesday, December 07, 2010 10:23 AM
To: Bob Wiggins
Cc: Linda Jernigan
Subject: Shipwatch Slider Doors

Bob,

Same questions for the doors that I had for the windows:

What is their DP Rating?
What are the manufacturer's requirements for installation in the opening?
Need Manufacturer's info, data sheets, etc.

Also, I never received anything from Randy other than the structural engineers letter. Can you have him send me the Vista Wall product data on the system he is using for the windows?

Gary D. Freeman, AIA, CCS
President
Gary Freeman Architect Inc.
1468 Diamond Boulevard
Mt. Pleasant, SC 29468
c 843.693.2148
f 843.884.5505

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SHIPWATCH
FW 843-588-6722

Charleston Glass Company
4231 Spruill Ave.
N. Charleston, SC 29405

Q-U-O-T-E 001-114842
Date: 10/22/2003

ATT: BOB WIGGINS

Sold-to: CAROLINA CONCRETE
SHIP WATCH
WILD DUNES

WINDOWS - 10# 16254R

Sales Rep: TW Installer: PO-#: Terms: C.O.D.

ARRANGEMENTS

In: Out:
RANDY GAVE WO

INSTALL-NOTES: SHIP WATCH-WILD DUNES

QTY	PRODUCTS-&SERVICES	-IV-LOC-	-TOTAL-
1	LABOR FMISC LABOR AND SERVICE CHARGE N/A LOOK AT MORE WINDOWS BOB WIGGINS 729-2518 LESTER 886-5267 OFFICE 343-3382 MOBILE	1	.00

28e 23"x42" }
8e 47"x49" } XO SLIDING WINDOWS
TO MATCH 1ST ROUND

MATERIAL, TAX, LABOR, + DEMO

TOTAL - \$34,643.00

Material: .00
Labor: .00
Tax: .00
Deductible: .00
TOTAL: .00
Deposit: .00
Payments: .00

-B-A-L-A-N-C-E- .00

PRICE BASED ON PREVIOUSLY INSTALLED WINDOWS

WINDOWS ARE ORDERED ON EXPRESS FROM BELO
ADD 3 WEEKS ON SHIPPING.

TERMS: 1/2 DEPOSIT REQUIRED/BALANCE UPON COMPLETION
ORDERS ARE PLACED UPON RECEIPT OF YOUR DEPOSIT.

104.144
Charleston Glass0541

SIGNATURE: _____ DATE: _____

Charleston Glass

4231 SPRUILL AVE.
NORTH CHARLESTON, SOUTH CAROLINA
(843) 747-7371
(FAX) 747-0188

1-7-04

CAROLINA CONCRETE
BOB WIGGINS
SHIPWATCH JOB

3

9 INSTALLED

12 @

INSTALL

- 736⁰⁰
2208⁰⁰

736⁰⁰
6624⁰⁰

1971⁰⁰
23652⁰⁰

32484⁰⁰

REMOVE EACH BAY WINDOW
INSTALL NEW FORMED FINISHING
REINSTALL EXISTING SYSTEM
RESEAL PERIMETER + ALL JOINTS

TOTAL MATERIAL, TAX, + LABOR - @ \$736. -

* DOES NOT INCLUDE BROKEN GLASS, INCORRECT EXISTING
PART REPLACEMENT, ETC.

FURNISH + INSTALL A NEW SYSTEM
BRONZE 2"x4 1/2" STRENGTH SYSTEM COATED
WITH BRONZE TEMPLATED GLASS.

* DEMO OF EXISTING BY OTHERS
* INCLUDES MATERIAL, TAX, + LABOR - \$1971. -
* ALSO INCLUDED IS NEW SILL FINISHING

REWORK BASED ON 1 PER DAY
NOW BASED ON 2 PER DAY

Thanks

[Signature]

CCS 635

CHARLESTON GLASS & MIR Fax:8437470188

*** Transmit Conf. Report ***

P.1

Mar 30 2004 10:21

Fax/Phone Number	Mode	Start	Time	Page	Result	Note
8865815	NORMAL	30.10:21	0'46"	3	# O K	

BB6-5B15

Charleston Glass Co.

4231 SPRUILL AVE.
NORTH CHARLESTON, SOUTH CAROLINA 29405
(843) 747-7371
(FAX) 747-0188

3-30-04

To: BOB WILKINS
FARM, RAMOY.

3 TOTAL SHEETS

CONTRACT

36	SLIDING WINDOWS	34,643.-
14	BAY WINDOWS @ 1971	<u>27,594.-</u>
		\$62,237.-

INVOICE

36	SLIDING WINDOWS	34,643.-
2	BAY WINDOWS @ 1971	3,942
	METAL + NAIL FOR THE 12	6,000.-
	OTHER BAY WINDOWS	<u> </u>

104.144
Charleston Glass0543

TOTAL INVOICE \$44,585.00

BBB-5B15

Charleston Glass Co.

4231 SPRUILL AVE.
NORTH CHARLESTON, SOUTH CAROLINA 29405
(843) 747-7371
(FAX) 747-0188

3-30-04

To: BOB WILKINS

From: RAMON

3 TOTAL SHEETS

CONTRACT

36	SLIDING WINDOWS	34,643.-
14	BAY WINDOWS @1971	<u>27,594.-</u>
		\$62,237.-

INVOICE

36	SLIDING WINDOWS	34,643.-
2	BAY WINDOWS @1971	3,942
	METAL TIE FOR THE 12	<u>6,000.</u>
	OTHER BAY WINDOWS	

TOTAL INVOICE \$44,585.00

10-14-04

8 MORE BAY WINDOWS - @1971

Platz

104.144
Charleston Glass0540

✓ GlasTec # A 101
 ✓ GlasTec # 201
 ✓ GLASTEC # 301
 GLASS ONLY

106
 206-GLASTEC # ✓
 306

B Bid

107
 ✓ GlasTec # 207
 307

112 GLASTEC # ✓
 212 GLASTEC # GLASS ONLY ✓
 312 GLASTEC # GLASS ONLY ✓

C Bid

N	S
113	118 GLASTEC #
213	218 - GLASTEC #
313	318 GLASTEC #

D Bid

✓ N
 GlasTec # 124
 GLASTEC # 224
 / GLASTEC # - 324

S
 119 - ~~GLASTEC #~~
 219 -
 319 -

104.144
 Charleston Glass 0539

* - indicates Glasstec installed Recently
 but Needs to be Remove, Flashed
 And Reinstalled

Charleston Glass Co.

4231 Spruill Ave.
North Charleston, South Carolina 29405
(843) 747-7371 • FAX (843) 747-0188
24 HOUR SERVICE

Charleston Glass Company
4231 Spruill Ave.
Charleston, SC 29405

INVOICE 001-334956
Date: 03/25/2004

Order to: CAROLINA CONCRETE SYSTEMS
P.O. BOX 13149
CHARLESTON SC 29422

FAXED
By MAR 26 2004

43) 588-6721 F (843) 588-6722

Rep: TW Installer: EVE PO-#: SHIPWATCH

Terms: NET 30

ANGEMENTS

In: Out:
RANDY GAVE WO

TALL-NOTES: SHIP WATCH-WILD DUNES \$34643.000
FOR ALUM. WINDOWS \$ 27594.00 FOR ALUM. BAYS
TOTAL 62237.00

PRODUCTS-&SERVICES
RD

DRAW REQUEST
LOOK AT MORE WINDOWS
BOB WIGGINS 729-2510
LESTER 886-5267 OFFICE
343-3302 MOBILE

-IV-LOC-

--TOTAL--

**Charleston
Glass**

Deductible: .00
TOTAL inc. tax: 44,585.00
Deposit: .00
Payments: .00

-B-A-L-A-N-C-E- 44,585.00

CCS 753

Charleston Glass Co.

Charleston Glass Company
4231 Spruill Ave.
North Charleston, South Carolina 29405
(843) 747-7371 • FAX (843) 747-0188 Date: 10/14/2004
24 HOUR SERVICE

to: CAROLINA CONCRETE SYSTEMS
P.O. BOX 13149
CHARLESTON SC 29422

31586-6721 F (843) 586-6722

Rep: EVE Installer: EVE PO: SHIPWATCH Terms: NET-30

ALL NOTES: SHIPWATCH VILLAS \$ 62231.00

PRODUCTS & SERVICES	-19-LOC-	--TOTAL--
RD	!	
DRAW REQUEST		
2ND DRAW 15768.00		
SEE BREAKDOWN:.....		
WINDOWS & BAYS CONTRACT 62231.00		
1ST REQUEST 032504 44503.00		
BALANCE 1766.00		
2ND REQUEST 8 MORE BAYS 15768.00 THIS INVOICE		
BALANCE DUE AFTER THIS 1870.00		
	Deductible:	.00
	TOTAL inc. tax:	15,768.00
	Deposit:	.00
	Payment:	.00
	-B-A-L-A-N-C-E-	15,768.00

CCS 851

Charleston Glass Co.

4231 SPRUILL AVE.
NORTH CHARLESTON, SOUTH CAROLINA 29405
(843) 747-7371
(FAX) 747-0188

January 18, 2008

TO: CAROLINA CONCRETE
ATT: BOB WIGGINS
FROM: RANDY MORGAN
RE: SHIPWATCH JOB

WE PROPOSE THE FOLLOWING FOR 16 OPENINGS

1. Remove and dispose of each sliding glass door
2. Furnish and install a temporary plywood opening
3. Furnish and install a new Efco sliding glass door after new curbs have been installed (curb by others)
4. Seal new doors at perimeters and make final adjustments

Doors will match previous doors.

Excludes final cleaning.

Doors will be ordered by January 21, 2008 and Efco will try to ship February 22, 2008.

TOTAL MATERIAL, TAX, AND LABOR \$63,120.00

OK

Bob Wiggins

**DEPOSITION
EXHIBIT**

JERNIGAN 139

CCS 1086

August 30, 2001

Bob Clink
Shipwatch HOA
Isle of Palms, SC

Re: Shipwatch
Renovations

Dear sir:

Thank you for allowing Glasstec to bid on the renovations at Shipwatch. This bid is based on information gathered by Glasstec during an on site inspection of the unit windows accessible by the lift on that day. All new windows will be Starline products, which are manufactured with a 2½" frame depth as opposed to the existing 4½" storefront frames. This will result in a need for interior sheetrock repairs to be completed by others.

All new windows will meet following specifications:

- Series 100
- 2 ½" frame thickness
- HC 65
- 15 psf sill
- Standard bronze paint
- Head receptors
- Installation of bituthene
- .050 bronze sill flashing provided and bent by Glasstec
- Fixed glass units - 1" bronze tempered insulated glass
- Sliding glass units - ¾" bronze tempered insulated glass
- Screens included
- Interior and exterior caulk

Operable Bay Windows

- ✓ (2) 24" x 59" fixed units
- ✓ (1) 105" x 59" operable unit OXO slider with screen

For the sum of: \$3,001.10 per unit

Fixed Bay Windows

- ✓ (2) 24" x 59" fixed units
- ✓ (1) 105" x 59" fixed/fixed unit

For the sum of: \$2,840.87 per unit

0000003
GlassTec

Maintenance to Existing Bay Windows

- ✓ Remove existing windows
- ✓ Clean caulk from existing storefront metal as much as possible
- ✓ Install bituthene
- ✓ Replace existing flashing with .050 bronze aluminum flashing
- ✓ Reinstall window frames
- ✓ Install new 1" bronze tempered insulated glass units
- ✓ Install new glazing gasket

For the sum of: \$1,915.42 per unit

Fogged Insulated Glass Replacement

- ✓ (2) 48" x 57" x 1" bronze tempered insulated glass units
- ✓ (2) 23" x 57" x 1" bronze tempered insulated glass units
- ✓ Related caulking
- ✓ New glazing gasket

For the sum of: \$1,419.41

These prices do not include the following:

- Lift Rental
- Moving furniture
- Protection of carpet
- Removing/reinstalling window dressings
- Interior sheetrock repair
- Replacement of metal studs
- Wood blocking
- Replacement of exterior or interior corner beads
- Stucco/EIFS repair
- Wood trim
- Shop drawings or engineer's stamp
- Protection of windows and doors after installation
- Cleaning/dusting of unit after installation

If you should have any questions regarding any of the information above, please call. Once again, thank you for allowing Glasstec to bid on Shipwatch.

Respectfully,

Ron Weaver
Glasstec, Inc.

0000004
Glasstec

August 30, 2001

Bob Clink
Shipwatch HOA
Isle of Palms, SC

Re: Shipwatch
Units 301 & 429

Dear sir:

Thank you for allowing Glasstec to bid on your glass replacement needs. This bid covers all labor, material, travel time, and service call necessary to complete the following work at Shipwatch:

Bldg A Unit 301 – Fogged Insulated Glass Units

Cut out existing sealant from perimeters of glass units
Install (2) 23" x 57" x 1" bronze tempered insulated glass units
Install new glazing gasket
Wet seal perimeters of glass with urethane caulk in appropriate color

For the sum of: \$ 799.60

Unit 429 – Fogged Sliding Glass Door Insulated Glass Units

Remove existing door panels
Inspect door frame for compromised areas
Caulk any compromised areas
Install new 46 3/4" x 88" x 5/8" bronze tempered insulated glass units in existing door frames
Reinstall door panels

For the sum of:	(1) panel	\$ 796.72
	(4) panels	\$1,806.45
	(6) panels	\$2,507.87

If you should have any questions, please call. Allow a 5-7 day lead time for completion of work.

If any of the above projects are accepted, please clearly indicate your choice, sign below, and return to Glasstec at 843-293-8675.

Signature: _____ Date: _____

Respectfully,

Ron Weaver
Glasstec, Inc.

0000005
Glasstec

November 5, 2001

Bob Clink
Shipwatch HOA
Isle of Palms, SC

Re: Shipwatch
Window and glass replacement

Dear sir:

Per our conversation regarding window and glass replacement at Shipwatch, I am confirming the following information. Please note that I have corrected a mistake I made regarding unit 429.

Unit D224

Operable Bay Windows

- ✓ (2) 24" x 59" fixed units
- ✓ (1) 105" x 59" operable unit OXO slider with screen

For the sum of: \$3,001.10 per unit

Unit D124

Fixed Bay Windows

- ✓ (2) 24" x 59" fixed units
- ✓ (1) 105" x 59" fixed/fixed unit

For the sum of: \$2,840.87 per unit

Unit A301

Fogged Insulated Glass Units

Cut out existing sealant from perimeters of glass units

0000006
GlassTec

Install (2) 23" x 57" x 1" bronze tempered insulated glass units
Install new glazing gasket
Wet seal perimeters of glass with urethane caulk in appropriate color

For the sum of: \$ 799.60

Unit D429

Fogged Sliding Glass Door Insulated Glass Units

Remove existing door panels
Inspect door frame for compromised areas
Caulk any compromised areas
Install new 46 3/4" x 88" x 5/8" bronze tempered insulated glass units in existing door frames
Reinstall door panels

For the sum of: (6) panels \$2,507.87

Unit B410

Fogged Sliding Glass Door Insulated Glass Units

Remove existing door panels
Inspect door frame for compromised areas
Caulk any compromised areas
Install new 46 3/4" x 88" x 5/8" bronze tempered insulated glass units in existing door frames
Reinstall door panels

For the sum of: (1) panel \$ 796.72

Unit B312

Fogged Insulated Glass Replacement

- ✓ (2) 48" x 57" x 1" bronze tempered insulated glass units
- ✓ (2) 23" x 57" x 1" bronze tempered insulated glass units
- ✓ Related caulking
- ✓ New glazing gasket

For the sum of: \$1,419.41

Unit B212

Fogged Insulated Glass Replacement

- ✓ (2) 48" x 57" x 1" bronze tempered insulated glass units
- ✓ (2) 23" x 57" x 1" bronze tempered insulated glass units
- ✓ Related caulking
- ✓ New glazing gasket

For the sum of: \$1,419.41

Unit B207

Maintenance to Existing Bay Windows

- ✓ Remove existing windows
- ✓ Clean caulk from existing storefront metal as much as possible
- ✓ Install bituthene
- ✓ Replace existing flashing with .050 bronze aluminum flashing
- ✓ Reinstall window frames
- ✓ Install new 1" bronze tempered insulated glass units
- ✓ Install new glazing gasket

For the sum of: \$1,915.42 per unit

Glasstec will complete all of the above for the total sum of **\$14,700.40**

If you should have any questions, please call. We will contact you to schedule installation as soon as all of the above material is shipped.

Thank you,

Ron Weaver
Glasstec, Inc.

0000008
GlassTec

GLASSTEC, INC.
Job Ledger Report

For the Period From Jan 1, 2000 to Dec 31, 2009

Filter Criteria Includes: 1) IDs from Shipwatch IOP to Shipwatch IOP. Report order is by ID. Report is printed including Balance Forward and including Retainage.

Job ID	GL Acct ID	GL Acct Descriptio	Trx Date	Trans Description	Jrnl	Trans Ref	Debit Amt	Credit Amt	Net DR/CR
Shipwatch IOP	305	Income - Olazing	3/7/03	Shipwatch HOA - Completion of bay window in unit 319 and materials only for units D119, B112 and A206 bay windows	SJ	5912		7,863.48	
	405	Job Materials No Ta	12/7/01	Coastal Glass - 1" bronze tempered IG 21-7/16x53-9/16	PJ	217365	214.16		
			12/7/01	Coastal Glass - 1" bronze tempered IG 47-1/2x53-9/16	PJ	217365	116.82		
			12/7/01	Coastal Glass - 1" bronze tempered IG 47-1/4x53/9/16	PJ	217365	116.82		
			12/12/01	Coastal Glass - 31-5/16" x 53-9/16 x 3/4" clear annealed IG	PJ	218552	155.76		
			10/22/02	Starline Industries - 98 1/8" x 59 3/4" Fixed/Fixed	PJ	2787	279.00		
			10/22/02	Starline Industries - 90 degree Corners 59 3/4"	PJ	2787	86.00		
			10/22/02	Starline Industries - 1 x 2 Snap Trim - 28"	PJ	2787	21.00		
			10/22/02	Starline Industries - 1 x 2 Snap Trim - 102"	PJ	2787	31.50		
			10/22/02	Starline Industries - 1 x 2 Snap Trim - 60"	PJ	2787	44.40		
	406	Direct Labor	2/14/03	William Blackwell	PRJ	26782	210.00		
			2/14/03	Jerry Chappell	PRJ	26784	280.00		
			1/16/04	Jerry Chappell	PRJ	28560	104.00		
			1/16/04	William C. Whitecotton	PRJ	28569	52.00		
	576	Gas/Oil	2/7/03	Jerry Chappell - Gas for trip to Isle of Palms to do unit at Shipwatch	CDJ	26746	20.00		
			3/14/03	Jerry Chappell - Gas Ticket	CDJ	27071	20.00		
	610	Miscellaneous Expo	2/7/03	Jerry Chappell - Parking Permit for Wild Dunes to do job at Shipwatch	CDJ	26746	20.00		
	665	Travel/Lodging	2/14/03	Ray Blackwell - Food Allowance for 1.5 days	CDJ	26810	21.00		
			2/14/03	Ray Blackwell - 3 hours ride time	CDJ	26810	15.45		
			2/14/03	Jerry Chappell - Food Allowance for 1.5 days	CDJ	26811	21.00		
			2/14/03	Jerry Chappell - 3 hours drive time	CDJ	26811	48.00		
			2/21/03	William Blackwell - Travel Time for Isle of Palms	CDJ	26882	2.55		
			3/10/03	MBNA - Lodging	PI	03.31.03	45.45		
							1,924.91	7,863.48	-5,938.57
Shipwatch IOP							1,924.91	7,863.48	-5,938.57
Report							1,924.91	7,863.48	-5,938.57

1050

000009
GlasTec

GLASSTEC, INC.

Job Ledger Report

For the Period From Jan 1, 2000 to Dec 31, 2009

Filter Criteria Includes: 1) IDs from Shipwatch to Shipwatch. Report order is by ID. Report is printed including Balance Forward and including Retainage.

Job ID	GL Acct ID	GL Acct Description	Trx Date	Trans Description	Jrnl	Trans Ref	Debit Amt	Credit Amt	Net DR/CR
Shipwatch	305	Income - Glazing	3/27/02	Walk- in - pay app # 2 for units B318, B411, B108 & B207 acc attached forms	SJ	5227		9,547.31	
			3/27/02	Walk- in - minus 2 day lift rental	SJ	5227	716.56		
			4/24/02	Walk- in - removed 8' x 8' mirror	SJ	5295		80.00	
			6/11/02	Shipwatch HOA - completion of change order #4	SJ	5386		9,467.31	
			9/24/02	Shipwatch HOA - fixed bay window in C218	SJ	5628		2,840.87	
			9/24/02	Shipwatch HOA - replace IG units in D324	SJ	5628		1,419.41	
			9/24/02	Shipwatch HOA - replace fixed bay window in C118	SJ	5628		2,840.87	
			9/24/02	Shipwatch HOA - replace sliding glass door in C114	SJ	5628		3,785.57	
			12/6/01	Starline Industries - 98 7/8" x 59 1/2" x oxo (ox type))	PJ	2428	370.00		
			12/6/01	Starline Industries - 23 1/2" x 59 1/2" fixed	PJ	2428	288.00		
405	Job Materials No Ta		12/6/01	Starline Industries - 90 degree mulls 59 1/2"	PJ	2428	80.00		
			12/6/01	Starline Industries - 98 7/8" x 59 1/2" -oo	PJ	2428	273.00		
			12/6/01	Starline Industries - 23 1/2" x 59 1/2" fixed	PJ	2428	288.00		
			12/6/01	Starline Industries - 90 degree mulls 59 1/2"	PJ	2428	80.00		
			12/6/01	Starline Industries - sales tax	PJ	2428	68.95		
			12/7/01	Coastal Glass - 3/4" bronze tempered IG 31-3/16x53-9/16	PJ	217364	77.88		
			1/21/02	Starline Industries - 2462	CDJ	24115	42.53		
			1/24/02	Guaranteed Supply Company - caulk np1 spec brz	PJ	0074310	79.50		
			1/24/02	Guaranteed Supply Company - airsheld flashing 12" x 67"	PJ	0074310	104.85		
			1/24/02	Guaranteed Supply Company - gun 15" bulk sausage cart man cox	PJ	0074310	41.55		
			1/24/02	Guaranteed Supply Company - yellow cone nozzle cox	PJ	0074310	2.40		
			1/24/02	Guaranteed Supply Company - caulk dow 795 black 20 oz	PJ	0074310	268.80		
			2/11/02	Coastal Glass - Unit B-207 22 3/8" x 56 3/4" x 1" bronze tempered IG	PJ	223589	62.74		
			2/11/02	Coastal Glass - Unit B-207 22 3/8" x 56 1/2" x 1" bronze tempered IG	PJ	223589	62.74		
			2/11/02	Coastal Glass - Unit B-212 48" x 56 1/2" x 1" bronze tempered IG	PJ	223587	125.47		
			2/11/02	Coastal Glass - Unit B-212 47 7/8" x 56 3/8" x 1" bronze tempered IG	PJ	223587	125.47		
			2/11/02	Coastal Glass - Unit B-207 47 7/8" x 56 3/8" x 1" bronze tempered IG	PJ	223587	125.47		

GLASSTEC, INC.
Job Ledger Report
For the Period From Jan 1, 2000 to Dec 31, 2009

Filter Criteria includes: 1) IDs from Shipwatch to Shipwatch. Report order is by ID. Report is printed including Balance Forward and including Retainage.

Job ID	GL Acct ID	GL Acct Descriptio	Trx Date	Trans Description	Jrnl	Trans Ref	Debit Amt	Credit Amt	Net DR/CR
			2/11/02	56 5/8" x 1" bronze tempered IG					
				Coastal Glass - Unit B-207 47 7/8"	PJ	223587	125.47		
			2/11/02	x 56 1/2" x 1" bronze tempered IG					
				Coastal Glass - Unit B-312 47 7/8"	PJ	223585	125.47		
				x 56 1/2" x 1" bronze tempered IG					
			2/11/02	Coastal Glass - Unit B-312 48" x	PJ	223585	125.47		
				56 5/8" x 1" Bronze tempered IG					
			2/11/02	Coastal Glass - Unit B-212 22 5/8"	PJ	223585	62.74		
				x 56 1/2" x 1" bronze tempered IG					
			2/11/02	Coastal Glass - Unit B-212 22 1/4"	PJ	223585	62.74		
				x 56 1/2" x 1" bronze tempered IG					
			2/11/02	Coastal Glass - Unit D-429 46 3/4" x	PJ	223582	1,168.20		
				88" x 5/8" bronze tempered IG					
			2/11/02	Coastal Glass - Unit B-410 46 3/4" x	PJ	223582	190.37		
				88" x 5/8" bronze tempered IG					
			2/11/02	Coastal Glass - Unit B-312 22 1/4"	PJ	223582	125.48		
				x 56 3/8" x 1" bronze tempered IG					
			2/11/02	Coastal Glass - Unit A-301 22 3/8" x	PJ	223581	62.74		
				56 5/8" x 1" bronze tempered IG					
			2/11/02	Coastal Glass - Unit A-301 22 3/4" x	PJ	223581	62.74		
				56 3/8" x 1" bronze tempered IG					
			2/11/02	Coastal Glass - Delivery	PJ	223980	10.00		
			2/11/02	Coastal Glass - 46 3/4" x 88" x 5/8"	PJ	229577	1,142.22		
			2/11/02	Coastal Glass - 46 3/4" x 88" x 5/8"	PJ	Credit		1,168.20	
			3/6/02	Starline Industries - 95-1/2" x	PJ	2517	903.00		
				92-1/2" XCO per quote Shipwatch					
				B-411					
			3/6/02	Starline Industries - screen	PJ	2517	78.00		
			3/6/02	Starline Industries - Freight	PJ	2517	49.05		
			3/11/02	Starline Industries - 97" x 59" x OO	PJ	2525	273.00		
			3/11/02	Starline Industries - 25" x 59" x O	PJ	2525	288.00		
			3/11/02	Starline Industries - 29" -90 Degree	PJ	2525	80.00		
				Mulls					
			3/11/02	Starline Industries - 102" Box of	PJ	2525	25.50		
				trim 1 x 1 1/2					
			3/11/02	Starline Industries - 30" box trim 1 x	PJ	2525	15.00		
				1/2					
			3/11/02	Starline Industries - 60" box trim 1 x	PJ	2525	38.40		
				1/2					
			3/18/02	Starline Industries - 98 1/4" x 60	PJ	2527	273.00		
				1/2" OO Fixed					
			3/18/02	Starline Industries - 24" x 60 1/2"	PJ	2527	288.00		
				Fixed					
			3/18/02	Starline Industries - 90 degree mulls	PJ	2527	80.00		
				60 1/2"					
			3/18/02	Starline Industries - Box trim for	PJ	2527	25.50		
				sills and heads					
			3/18/02	Starline Industries - Series 100 HC	PJ	2527	15.00		
				65 15 psc sill, painted bronze and					
				preped for 1" glass					

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0000011
GlasTec

GLASSTEC, INC.

Job Ledger Report

For the Period From Jan 1, 2000 to Dec 31, 2009

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Job ID	GL Acct ID	GL Acct Descriptio	Trx Date	Trans Description	Jrnl	Trans Ref	Debit Amt	Credit Amt	Net DR/CR
			3/18/02	Starline Industries - sales tax	PJ	2527	34.08		
			3/28/02	Jerry Chappell - Reimbursement of	CDJ	24502	45.99		
			4/8/02	Coastal Glass - Gate Fee	PJ	249405	10.00		
			4/8/02	Coastal Glass - 44-3/4" x 86-7/16"	PJ	248121	364.88		
				1" bronze tempered IG - B411					
			4/8/02	Coastal Glass - 47 x 54-9/16 1"	PJ	248121	242.30		
				bronze tempered IG - C-318					
			4/8/02	Coastal Glass - 21-15/16" x 54-9/16	PJ	248121	111.06		
				1" bronze tempered IG - C318					
			4/8/02	Coastal Glass - 46-3/8" x 53-1/16"	PJ	248131	233.64		
				1" bronze tempered IG - B207					
			4/8/02	Coastal Glass - 22-15/16 x 53-1/16"	PJ	248131	116.82		
				1" bronze tempered IG - B207					
			5/6/02	Coastal Glass - 3/8" chr plate 8" x	PJ	264202	100.32		
				69-1/2" with (1) 69-1/2" edge					
				polished					
			5/28/02	Starline Industries - 23 1/4" x 59	PJ	2611	288.00		
				3/4" x fixed					
			5/28/02	Starline Industries - 96" x 59 3/4" x	PJ	2611	273.00		
			5/28/02	Starline Industries - 90 degree mulls	PJ	2611	80.00		
			5/28/02	Starline Industries - 102" x 1 x 2 box	PJ	2611	25.50		
				trim					
			5/28/02	Starline Industries - 30" x 1-2 box	PJ	2611	15.00		
				trim					
			5/28/02	Starline Industries - 60" x 1 x 2 box	PJ	2611	38.40		
				trim					
			5/28/02	Starline Industries - tax	PJ	2611	36.00		
			5/28/02	Starline Industries - 23 1/2" x 59	PJ	2610	288.00		
				3/4" x fixed					
			5/28/02	Starline Industries - 96" x 59 3/4"	PJ	2610	273.00		
				fixed					
			5/28/02	Starline Industries - 90 deg mulls	PJ	2610	80.00		
			5/28/02	Starline Industries - 102" x 1 x 2 box	PJ	2610	25.50		
				trim					
			5/28/02	Starline Industries - 30" x 1 x 2 box	PJ	2610	15.00		
				trim					
			5/28/02	Starline Industries - 60" x 1 x 2 box	PJ	2610	38.40		
				trim					
			5/28/02	Starline Industries - sales tax	PJ	2610	36.00		
			5/31/02	Coastal Glass - 21-7/16 x 53-13/16 x	PJ	273370	107.08		
				1" bronze tempered IGs					
			5/31/02	Coastal Glass - 45-7/8 x 53-13/16 x	PJ	273370	447.80		
				1" bronze tempered IGs					
			5/31/02	Starline Industries - series 200 hc65	PJ	2601	999.60		
				painted bronze with screen 15 psf sill					
				S/S hardware					
			6/6/02	Guaranteed Supply Company -	PJ	0080433	3.50		
				wd40 net wt 12 oz					
			6/6/02	Guaranteed Supply Company - tape	PJ	0080433	6.15		
				long masking 2" x 60 yds					

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0000012
Glasstec

GLASSTEC, INC.
Job Ledger Report

For the Period From Jan 1, 2000 to Dec 31, 2009

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Job ID	GL Acct ID	GL Acct Description	Trx Date	Trans Description	Jrnl	Trans Ref	Debit Amt	Credit Amt	Net DR/CR
			6/6/02	Guaranteed Supply Company - caulkmp spec 1	PJ	0080433	74.20		
			6/6/02	Guaranteed Supply Company - yellow cone nozzle cox	PJ	0080433	1.20		
			6/6/02	Guaranteed Supply Company - caulk Dow 795 Black 10.3 oz	PJ	0080433	61.20		
			6/25/02	Lowes Business Account - plastic 12'50'1.5m carti	PJ	22228	7.86		
			6/25/02	Lowes Business Account - 33gl shop sak 12ct 3mil p	PJ	22228	5.97		
			6/25/02	Lowes Business Account - steel 1/8 x 1/4 rivets ar	PJ	22228	4.97		
			6/25/02	Lowes Business Account - 1.88 x 60yd prof duck tape	PJ	22228	4.87		
			6/25/02	Lowes Business Account - steel 1/8 x 1/8 rivets ar	PJ	22228	3.87		
			6/25/02	Lowes Business Account - Tax	PJ	22228	1.65		
			7/9/02	Coastal Glass - (2) 21 X 53 X 1" BRZ IG	PJ	275451	107.08		
			7/9/02	Coastal Glass - gate charge - IOP	PJ	275962	10.00		
			8/16/02	Coastal Glass - no PO - Shipwatch glass	PJ	300499	364.50		
			8/20/02	Guaranteed Supply Company - caulk for shipwatch	PJ	0083759	367.05		
			8/20/02	Coastal Glass - 48-3/8 x 56-5/8 x 1" brz temp IG	PJ	301017	135.94		
			8/20/02	Coastal Glass - 22-1/2 x 56-3/8 x 1" brz temp IG	PJ	301017	65.25		
			8/26/02	Starline Industries - shipwatch C118	PJ	2713	755.90		
			8/29/02	Coastal Glass - 48-3/8 x 56-5/8 x 1" brz tempered IG	PJ	302208	135.94		
			8/29/02	Coastal Glass - 22-1/2 x 56-3/8 x 1" brz tempered IG	PJ	302208	65.25		
			9/6/02	Starline Industries - C114 door	PJ	2721	994.35		
			9/23/02	Starline Industries - shipwatch D112	CDJ	25478	755.90		
			9/23/02	Starline Industries - shipwatch A206	CDJ	25478	755.90		
			10/3/02	Coastal Glass - 22-3/16" X 53-13/16" X 1" BRZ TEMP IG	PJ	317488	121.50		
			10/3/02	Dual Coastal Glass - 47" X 53-1/2" X 1" BRZ TEMP IG Dual	PJ	317488	121.50		
			10/3/02	Coastal Glass - 47-3/8" X 53-1/2" BRZ TEMP IG 1" Dual	PJ	317488	121.50		
			10/3/02	Coastal Glass - 22-1/16" X 53-13/16" X 1" BRZ TEMP IG	PJ	317434	121.50		
			10/3/02	Coastal Glass - 47-1/8" X 53-1/2" X 1" BRZ TEMP Dual IG	PJ	317434	121.50		
			10/3/02	Coastal Glass - 47-1/2" X 53-1/2" X 1" BRZ TEMP Dual IG	PJ	317434	121.50		
			10/7/02	Coastal Glass - 32-3/4 x 89-7/16 x ...	PJ	308057	289.38		

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0000013
GlasTec

GLASSTEC, INC.
Job Ledger Report

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Job ID	GL Acct ID	GL Acct Description	Trx Date	Trans Description	Jrnl	Trans Ref	Debit Amt	Credit Amt	Net DR/CR
				1" bronze tempered IG					
			10/7/02	Coastal Glass - 22-3/16 x 53-13/16 x	PJ	308057	124.00		
				1" bronze temp IG					
			10/7/02	Coastal Glass - 47 x 53-1/2 x 1"	PJ	308057	124.00		
				bronze temp IG					
			10/7/02	Coastal Glass - 47-3/8 x 53-1/2 x 1"	PJ	308057	124.00		
				bronze temp IG					
			10/22/02	Starline Industries - 24 1/4" x 59	PJ	2787	294.00		
				3/4" Fixed					
			11/26/02	Starline Industries - 97 7/8" x 59	PJ	2836	286.65		
				3/4" - OO					
			11/26/02	Starline Industries - 24 3/8" x 59	PJ	2836	302.40		
				3/4" - O					
			11/26/02	Starline Industries - 1 x 2 Box trim	PJ	2836	48.83		
				62"					
			11/26/02	Starline Industries - 59 3/4" - 90	PJ	2836	84.00		
				degree mulls					
			11/26/02	Starline Industries - 1 x 2 Box trim	PJ	2836	26.25		
				100"					
			11/26/02	Starline Industries - 1 x 2 Box trim	PJ	2836	15.75		
				28"					
			2/4/03	Coastal Glass - 22-3/16 x 53-3/4 x	PJ	355801	125.28		
				1" brz temp IG					
			2/4/03	Coastal Glass - 47-5/16 x 53-3/4 x	PJ	355801	250.56		
				1" brz temp IG					
406	Direct Labor		5/18/01	Stephen V. Boyd	PRJ	022725	58.50		
			5/18/01	Stephen V. Boyd	PRJ	022725	87.75		
			1/25/02	Jerry Chappell	PRJ	24132	520.00		
			1/25/02	Jerry Chappell	PRJ	24132	204.75		
			1/25/02	Troy Weaver	PRJ	24133	700.40		
			1/25/02	Troy Weaver	PRJ	24133	275.84		
			2/1/02	Jerry Chappell	PRJ	24171	266.50		
			2/1/02	Troy Weaver	PRJ	24182	700.40		
			2/1/02	Troy Weaver	PRJ	24182	183.89		
			3/29/02	Jerry Chappell	PRJ	24488	520.00		
			3/29/02	Jerry Chappell	PRJ	24488	331.50		
			3/29/02	Eric Holshouser	PRJ	24492	198.00		
			3/29/02	Candido Ortiz-Robles	PRJ	24495	171.00		
			4/5/02	Jerry Chappell	PRJ	24529	143.00		
			4/19/02	Jerry Chappell	PRJ	24598	60.75		
			4/19/02	Jerry Chappell	PRJ	24598	70.88		
542	Shop Supplies - No		1/23/03	Guaranteed Supply Company -	PJ	0090040	126.00		
				Caulk Dow 795 Black 10.3 oz					
			1/23/03	Guaranteed Supply Company -	PJ	0090040	82.50		
				Caulk NP1 Limestone 10.6 oz					
			1/23/03	Guaranteed Supply Company -	PJ	0090040	100.00		
				Caulk NP1 Spec Bronze 20 oz					
			1/23/03	Guaranteed Supply Company -	PJ	0090040	10.00		
				Caution Tape Yellow 3" x 1000'					
			1/23/03	Guaranteed Supply Company - Tape	PJ	0090040	4.50		

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0000014
GlasTec

GLASSTEC, INC.
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Job ID	GL Acct ID	GL Acct Description	Trx Date	Trans Description	Jrnl	Trans Ref	Debit Amt	Credit Amt	Net DR/CR
				Duct 2" x 60 yds					
576	Gas/Oil		6/13/02	Jerry Chappell - gas	CDJ	24917	25.57		
			9/20/02	Jerry Chappel - 9.11 gas	CDJ	25457	18.91		
			9/20/02	Jerry Chappel - 9.12 gas	CDJ	25457	5.00		
661	Insurance - AUTO		3/28/02	Candido Ortiz-Robles - Seascope	CDJ	24504	26.00		
				Drive time					
665	Travel/Lodging		6/13/02	Troy Weaver - cost of living 3 days	CDJ	24916	30.00		
			1/24/02	Jerry Chappell - Food	CDJ	24134	42.00		
			1/24/02	Troy Weaver - Food	CDJ	24135	42.00		
			3/28/02	Jerry Chappell - Drive time	CDJ	24502	52.00		
			3/28/02	Jerry Chappell - Food	CDJ	24502	70.00		
			3/28/02	Eric Holshouser - Ride time to IOP	CDJ	24505	18.00		
			3/28/02	Troy Weaver - Ride time	CDJ	24507	35.04		
			3/28/02	Troy Weaver - Food	CDJ	24507	70.00		
			3/28/02	Troy Weaver - Reimbursement of cash tickets	CDJ	24507	125.24		
			4/4/02	Jerry Chappell - Drive time	CDJ	24541	52.00		
			4/4/02	Jerry Chappell - Gas ticket	CDJ	24541	10.00		
			4/5/02	Troy Weaver - Drive time IOP4 hrs	CDJ	24546	70.04		
			4/5/02	Troy Weaver - Food	CDJ	24546	14.00		
			6/13/02	Troy Weaver - 4 hours ride time to Shipwatch, IOP	CDJ	24916	36.08		
			6/13/02	Troy Weaver - food 3 days	CDJ	24916	42.00		
			6/13/02	Jerry Chappell - parking permits	CDJ	24917	20.00		
			6/13/02	Jerry Chappell - drive time 4 hours to Shipwatch, IOP	CDJ	24917	64.00		
			6/13/02	Jerry Chappell - food 3 days	CDJ	24917	42.00		
			6/13/02	Jerry Chappell - cost of living expenses	CDJ	24917	30.00		
			6/14/02	Charlie Morris - 4 hrs drive time to Shipwatch, IOP at regular time rate	CDJ	24911	36.00		
			6/14/02	Timothy Rausch - ride time to HH	CDJ	24913	41.20		
			6/14/02	Timothy Rausch - food	CDJ	24913	56.00		
			6/14/02	Timothy Rausch - cost of living expenses	CDJ	24913	40.00		
			6/14/02	Jerry Warren - 4 hours ride time to Shipwatch	CDJ	24914	36.06		
			7/15/02	Wachovia Bank - lodging in IOP	CDJ	25102	232.86		
			9/20/02	William Blackwell - 4 hours ride time	CDJ	25456	24.00		
			9/20/02	William Blackwell - food	CDJ	25456	56.00		
			9/20/02	Jerry Chappel - 4 hours drive time	CDJ	25457	64.00		
			9/20/02	Jerry Chappel - food	CDJ	25457	56.00		
			10/14/02	Wachovia Bank - Masters Inn	PJ	10.31.02	136.35		
							<u>27,351.47</u>	<u>31,149.54</u>	<u>-3,798.07</u>
							<u>27,351.47</u>	<u>31,149.54</u>	<u>-3,798.07</u>
							27,351.47	31,149.54	-3,798.07

Shipwatch

Report

0000015
GlassTec

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7/16/12 at 11:50:01.50

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GLASSTEC, INC.
Job Ledger Report

For the Period From Jan 1, 2000 to Dec 31, 2009

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1057

0000016
GlassTec

January 25, 2004

Lester Griffin, GM
Shipwatch Horizontal Regime
7600 Palmetto Drive
Isle of Palms, South Carolina 29451

Dear Sir:

We were unaware of any issues Shipwatch has with our work and are disappointed to know that you have decided to hire another company to complete our contract. Typically, if there is a problem with workmanship or product, the contractor is given the opportunity to correct the problem. However, if the contract is withdrawn by the owner for no apparent reason, then the owner becomes responsible for the remaining work on the contract.

The installation of these windows has never been an easy project. Each installation involved woodwork, flashing installation, and problem solving. It would be difficult for any contractor unfamiliar with the previous installations to install the windows with no difficulty.

We hope to have the opportunity to complete this contract with Shipwatch. Once given that opportunity, we consider it our responsibility to address any issues with the remaining products as necessary. Otherwise, we will consider the contract closed.

We look forward to hearing from you soon.

Respectfully,

Ron Weaver
Glasstec, Inc.

0000001
GlassTec

2011 doors
actually installed

Sept 2010
(would usually
be installed
Jan 2011)

**DEPOSITION
EXHIBIT**

GERNIGAN 140

as of 2011
Completed - 11 LR
To Do - 21

32 mBR
0

$$\begin{array}{r} 16 \text{ gbr} = 59 \\ 16 = 37 \end{array}$$

STATE OF SOUTH CAROLINA
COUNTY OF CHARLESTON

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT
Case No. 2012-CP-10- 3857

Shipwatch Condominium Association, Inc.

Plaintiff,

vs.

Carolina Concrete Systems, Inc.; Sisroy
Engineering, LLC; Robert G. Sisroy,
individually; Terrence J. McKelvey;
Glasgow Roofing, Inc.; GlassTec, Inc.;
Spectech, Inc.; Sonneborn, Inc.; Chimney
Sweeps, Inc.; Low Country Chimneys, Inc.;
EFCO Corp.; W.C. Johnston Architectural
Sales, Inc.; Charleston Glass Company, Inc.;
First Exteriors, LLC; Acrocrete, Inc.;
BASF Corp.; Gary Freeman Architect, Inc.;
Gary Freeman, individually;

Defendants.

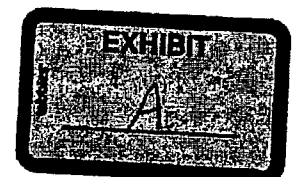
PLAINTIFF'S AMENDED ANSWERS TO
W.C. JOHNSTON ARCHITECTURAL
SALES, INC.'S INTERROGATORIES

TO: MORGAN S. TEMPLETON, ESQUIRE AND WALL TEMPLETON &
HALDRUP, P.A., ATTORNEYS FOR THE DEFENDANT W. C. JOHNSTON
ARCHITECTURAL SALES, INC.

The Plaintiff hereby answers Defendant W.C. Johnston Architectural Sales, Inc.'s

Interrogatories as follows:

1. Give the names and addresses of persons known to the parties or counsel to be
witnesses concerning the facts of the case and indicate whether or not written or recorded statements
have been taken from the witnesses and indicate who has possession of such statements.



Randy Crabb
Maintain, Inc.
1215 Schirmer Avenue
Mount Pleasant, SC 29464
(843) 375-5950

Mr. Crabb is a principal with Maintain, Inc., which is an independent contractor engaged by the Shipwatch Condominium Association, Inc. for the purpose of general routine building maintenance issues.

No statements have been taken from these witnesses.

2. Set forth a list of photographs, plats, sketches, or other prepared documents in possession of the party that relate to the claim or defense in the case.

ANSWER: The Plaintiffs have a substantial amount of file material which may contain the information requested. To the extent that material exists in the Plaintiffs' files, is relevant and is not privileged, it is available for inspection and/or copying at a mutually convenient time at the offices of Robertson Hollingsworth & Flynn, 177 Meeting Street, Suite 300, Charleston, South Carolina, 29401.

3. List the full names, addresses and telephone numbers of any expert witnesses whom you or your counsel has consulted, whether or not you or your counsel expects to use such expert as a witness at the trial of the case.

ANSWER:

Jeffrey S. Miller PE
Manager, Building Solutions Group
SKA Consulting Engineers, Inc.
4651 Charlotte Park Drive, Suite 150
Charlotte, NC 28214
(704) 424-9663

Mr. Miller and his colleagues at SKA Consulting Engineers have performed an engineering investigation into the damages present at the Shipwatch Condominiums, and are evaluating

appropriate remedial measures relating to those damages. Material relating to the investigation performed by Mr. Miller and his colleagues is available for review and/or copying at the offices of Plaintiffs' counsel at a mutually convenient time.

Peter Edwin Sherratt, AIA, Architect
The Sherratt Company
P.O. Box 5786
Hilton Head Island, SC 29938
(843) 689-9777

Mr. Sherratt is conducting an investigation into the damages present at the Shipwatch Condominiums, and is evaluating appropriate remedial measures relating to those damages. He has not produced any written reports at this time, but the requests for production will be supplemented upon receipt of any such reports.

Edward C. Porcher, P.E.
Stantec Consulting Services, Inc.
4969 Centre Pointe Drive, Suite 200
North Charleston, SC 29418

Mr. Porcher and Stantec are serving in a capacity as a non-testifying consulting expert witness for the Plaintiffs at this time.

Commercial Building Consultants, LLC ("CBC")
590 North Semoran Blvd.
Orlando, FL 32807

CBC is serving in a capacity as a non-testifying consulting expert witness for the Plaintiffs at this time.

4. For each expert witness listed above, please set forth the opinion held by such expert, the grounds for such opinion, and the substance of the facts to which such opinion is expected to testify.

ANSWER: See answer to Interrogatory No. 3 above.



CHARLESTON GLASS & MIRROR COMPANY, INC.

*Note: This online database was last updated on 12/8/2015 3:07:15 AM.
See our Disclaimer.*

DOMESTIC / FOREIGN:	Domestic
STATUS:	Good Standing
STATE OF INCORPORATION	SC
/ ORGANIZATION:	Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME:	BRENDA M METTS
ADDRESS:	4231 SPRUILL AVE
CITY:	CHARLESTON
STATE:	
ZIP:	29405
SECOND ADDRESS:	
FILE DATE:	05/22/1964
EFFECTIVE DATE:	05/22/1964
DISSOLVED DATE:	//

Corporation History Records

CODE	FILE DATE	COMMENT	Document
Agent	11/13/2007	CHG AGT & ADD FR HAROLD H MORGAN SR	
Incorporation	05/22/1964	ART	Film

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29201

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

R. Markley Dennis, Jr., Circuit Court Judge

Case No.: 2012-CP-10-3857 and 2012-CP-10-3858

Appellate Case No.: 2015-001644

Shipwatch Condominium Association, Inc., ... Appellant,

v.

Carolina Concrete Systems, Inc.; Sisroy Engineering, LLC; Robert G. Sisroy, individually;
Terrence J. McKelvey; Glasgow Roofing, Inc.; GlassTec, Inc.; Spectech, Inc.; Sonneborn, Inc.;
Chimney Sweeps, Inc.; Low Country Chimneys, Inc.; EFCO Corp.; W.C. Johnston Architectural
Sales, Inc.; Charleston Glass Company, Inc.; First Exteriors, LLC; Acrocrete Defendants,

Of Which, Carolina Concrete Systems, Inc.; Sisroy Engineering, LLC; Robert G. Sisroy,
individually; Terrence J. McKelvey; Glasgow Roofing, Inc.; GlassTec, Inc.; Sonneborn, Inc.;
EFCO Corp.; W.C. Johnston Architectural Sales, Inc.; Charleston Glass Company, Inc.; First
Exteriors, LLC; Acrocrete, Inc.; BASF Corp.; Gary Freeman Architect, Inc.; Gary Freeman,
individually, are Respondents.

and

Oscar Mendiando, individually and as representative of a class of similarly situated owners of
condominium units in the horizontal property regime known as Shipwatch Condominiums,
Appellants,

v.

Carolina Concrete Systems, Inc.; Sisroy Engineering, LLC; Robert G. Sisroy, individually;
Terrence J. McKelvey; Glasgow Roofing, Inc.; GlassTec, Inc.; Spectech, Inc.; Sonneborn, Inc.;
Chimney Sweeps, Inc.; Low Country Chimneys, Inc.; EFCO Corp.; W.C. Johnston Architectural
Sales, Inc.; Charleston Glass Company, Inc.; First Exteriors, LLC; Acrocrete, Inc.; BASF Corp.;
Gary Freeman Architect, Inc.; Gary Freeman, individually; Defendants,

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SC Court of Appeals

Of Which Carolina Concrete Systems, Inc.; Sisnroy Engineering, LLC; Robert G. Sisnroy,
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EFCO Corp.; W.C. Johnston Architectural Sales, Inc.; Charleston Glass Company, Inc.; First
Exteriors, LLC; Acrocrete, Inc.; BASF Corp.; Gary Freeman Architect, Inc.; and Gary Freeman,
individually; are Respondents.

CERTIFICATE OF COUNSEL

The undersigned counsel hereby certifies that the foregoing Record on Appeal contains all
material proposed to be included by any of the parties and not any other material.

By:


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Attorney for Appellants

December 9, 2015

7/13/15 10:00 AM
215400A to 1100 00

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CERTIFICATE OF SERVICE

I, Leanne Duryea, an employee of Robertson Hollingsworth & Flynn, hereby certify that I have served parties in this action with a copy of the foregoing Record on Appeal via U.S. Mail as follows:

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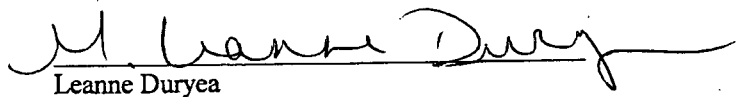
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December 9, 2015

Charleston, South Carolina

5
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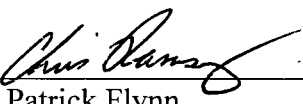
Carolina Concrete Systems, Inc.; Sisnroy Engineering, LLC; Robert G. Sisnroy, individually;
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PROOF OF SERVICE OF RECORD ON APPEAL

I hereby certify that I have this date caused a copy of the Record on Appeal in the above-captioned case to be placed in the U.S. Mail to the addressees which follow.

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