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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

The Honorable Marvin H. Dukes, III, Master-in-Equity

Circuit Court Case No. 2015-CP-07-02722
Appellate Case No. 2020-001309

Colleton River Plantation Club, Inc.,……Respondent-Appellant,

v.

Joel S. Lee,……Appellant-Respondent.

RECORD ON APPEAL,
VOLUME II

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Wayne S. Hyatt
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Peachtree Center South Tower
225 Peachtree Street, N.E., Suite 1200
Atlanta, Georgia 30303

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and Book 1585, Page 1072

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ABOVE SPACE FOR RECORDER'S USE

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

AMENDMENT TO THE THIRD AMENDED AND RESTATED COLLETON RIVER PLANTATION DECLARATION OF COVENANTS AND PROVISIONS FOR MEMBERSHIP IN COLLETON RIVER PLANTATION CLUB, INC.

THIS AMENDMENT is made by Colleton River Plantation Club, Inc., a South Carolina non-profit corporation ("**Club**").

WITNESSETH:

WHEREAS, on or about June 11, 1991, Colleton River Company, L.P. ("**CRC, L.P.**") made its Declaration of Covenants, and Provisions for Membership in Colleton River Plantation Club, Inc. ("**Original Declaration**") encumbering certain real property located in Beaufort County, South Carolina, as more particularly described therein; and

WHEREAS, the Original Declaration was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Deed Book 579 at Page 1796; and

WHEREAS, the Original Declaration, as it has been amended from time to time (collectively, the "**Declaration**"), provides that the terms thereof may be amended by a vote of two-thirds (2/3) of the membership of the Club present in person or by proxy at a duly called meeting of the Club at which a quorum is present; and

WHEREAS, the Club desires to amend and restate the Declaration as applied to all property made subject to the Declaration; and

WHEREAS, the amendments to and restatements of the Declaration involve such an extensive change to and substantial rewording of the Declaration that specifically identifying each change to the Declaration would hinder, rather than assist, an understanding of the amendments; and

WHEREAS, pursuant to a vote of more than two-thirds (2/3) of the membership of the Club by written ballot without a meeting, the Club approved, ratified, and made this Amended and Restated Declaration of Covenants for Colleton River Plantation to supersede and replace the existing Declaration and all prior versions of such Declaration;

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NOW THEREFORE, the Declaration is hereby amended, restated, replaced, and superseded in its entirety, and the following Amended and Restated Declaration of Covenants for Colleton River Plantation is substituted in its place such that all property subject to the Declaration shall hereafter be subject to this Amended and Restated Declaration of Covenants for Colleton River Plantation.

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AMENDED AND RESTATED DECLARATION OF COVENANTS

FOR

COLLETON RIVER PLANTATION

HYATT & STUBBLEFIELD, P.C.
Attorneys and Counselors
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AMENDED AND RESTATED DECLARATION OF COVENANTS FOR COLLETON RIVER PLANTATION

PREAMBLE

This Amended and Restated Declaration of Covenants for Colleton River Plantation ("**Declaration**") establishes a governance structure and a flexible system of standards and procedures for the development, expansion, administration, maintenance, and preservation of Colleton River Plantation as a master planned community. An integral part of the development plan is Colleton River Plantation Club, Inc., a South Carolina nonprofit corporation (the "**Club**"), created to own, operate and/or maintain various "Common Property" and community improvements and to administer and enforce this Declaration and the other Governing Documents referenced in this Declaration.

Colleton River Development Company, LLC, a South Carolina limited liability company, its successors, and assigns (the "**CRDC**"), is the developer of the property within Colleton River Plantation identified on Exhibit "A" attached hereto as the "**Phase II Property**" and as such has retained various approval rights as set forth in the Colleton River Plantation Annexation Agreement, dated November 18, 1997, executed by and between the Club and CRDC (as amended, the "**Annexation Agreement**").

The master plan for Colleton River Plantation approved by the County of Beaufort, South Carolina, as it may be supplemented and amended (the "**Master Plan**") contemplates residential and recreational uses and this Declaration is intended to establish a process for achieving the goals set out in the Master Plan and establishes relationships and obligations between and among owners, users, and the various parcels within Colleton River Plantation.

DECLARATION OF COVENANT

The property described in Exhibit "A" and any additional property which has been or is in the future made subject to this Declaration by amendment or supplement, shall constitute the "**Community**" or "**Colleton River Plantation**" referred to in this Declaration. This Declaration shall run with the title to such property, shall govern the development and use of such property, and shall be binding upon the future owners of any portion of the property, their respective heirs, successors, successors-in-title, and assigns, and any other person or entity that now or hereafter has any legal, equitable, or beneficial interest in any portion of such property. This Declaration shall also be binding upon the Club, its successors and assigns.

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PART ONE: INTRODUCTION TO THE COMMUNITY

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Chapter 1
Governing Documents

A community is guided and governed by certain principles that each owner and resident, by choosing to own property or reside in the community, agrees to uphold. Those principles are set forth in the community's governing documents, which serve as a tie that binds the community together, give it structure, and provide guidance to all who participate in its growth and evolution.

1.1. Scope and Applicability

The Community has been established and is administered pursuant to various documents that have a legal and binding effect on all owners and occupants of property in the Community, as well as on anyone else that may now or in the future have an interest in any portion of the property comprising the Community. Such documents, referred to in this Declaration as the "**Governing Documents**," include this Declaration and

GOVERNING DOCUMENTS	
Amended and Restated Declaration of Covenants: (recorded)	this Amended and Restated Declaration of Covenants for Colleton River Plantation, which creates obligations that are binding upon the Club and all present and future owners of property in Colleton River Plantation
Supplement: (recorded)	a recorded Supplement to this Declaration, which may submit additional property to this Declaration, create easements over the property described in the Supplement, impose additional obligations or restrictions on such property, or any of the foregoing
Articles of Incorporation: (filed with Secretary of State)	the Articles of Incorporation of Colleton River Plantation Club, Inc., as they may be amended (the "**Articles**"), which establish the Club as a nonprofit corporation under South Carolina law
By-Laws: (recorded and attached as Exhibit "B")	the By-Laws of Colleton River Plantation Club, Inc., adopted by its members, as they may be amended (the "**By-Laws**"), which govern the Club's internal affairs, such as voting, elections, meetings, etc.
Design Guidelines:	the design standards and architectural and aesthetics guidelines adopted pursuant to Chapter 5, as they may be amended, which govern new construction and modifications to Lots, including structures, landscaping, and other items on Lots
Rules:	the rules of the Club adopted pursuant to Chapter 7, which regulate use of property, activities, and conduct within Colleton River Plantation
Board Resolutions: (Board adopts)	the resolutions which the Board adopts to establish rules, policies, and procedures for internal governance and Club activities and to regulate the operation and use of property which the Club owns or controls

Table 1.1 - Governing Documents

the other documents described in Table 1.1, as they may be amended. All owners and occupants, as well as their tenants, guests, and invitees, are required to comply with the Governing Documents.

1.2. Additional Covenants

There are certain recorded covenants and restrictions for property within Colleton River Plantation, such as those pertaining to riverfront lots and cottages, in addition to the covenants and restrictions set forth in this Declaration. The Club shall have the standing and power, but not the obligation, to enforce such additional covenants.

1.3. Conflicts

If there are conflicts between any of the Governing Documents and South Carolina law, South Carolina law shall control. If there are conflicts between or among any of the Governing Documents, then the Declaration, the Articles, and the By-Laws (in that order) shall control. If there is a conflict between the Governing Documents and any additional covenants recorded on any property within the Community (or the rules or policies adopted pursuant to any such additional covenants), the Governing Documents shall control.

The Governing Documents use tables and keynotes (text set apart in boxes with "key" icons) to illustrate concepts and assist the reader. If there is a conflict between any table or keynote and the text of the Governing Documents, the text shall control.

Space has been set aside throughout this Declaration to allow the reader to make notes. Any such notes are not part of this Declaration and have no legal or binding effect.

If any court determines that any provision of this Declaration is invalid, or invalid as applied in a particular instance, such determination shall not affect the validity of other provisions or applications of such provision in other instances.

1.4. Definitions

Capitalized terms used in the Governing Documents have the meaning described in the paragraph where they first appear in bold print. An index to defined terms may be found at the end of the Table of Contents. All other terms used in the Governing Documents have their natural, commonly accepted definitions.

1.5. Interpretation of Certain References

Community-Wide Standard. Where the Governing Documents require compliance with the "**Community-Wide Standard**," the standard to be applied is the highest of: (a) the standard of use, conduct, architecture, landscaping, or aesthetic matters generally prevailing in the Community, or (b) the minimum standards described in this Declaration, the Design Guidelines, the Rules, and Board resolutions. The Community-Wide Standard may contain objective elements, such as specific maintenance requirements, and subjective elements, such as matters subject to the discretion of the Board or the ARB (as defined in Chapter 5). The Community-Wide Standard may or may not be set out in writing and may evolve as development progresses and as Colleton River Plantation matures.

Consent or Approval. All references in the Governing Documents to "**consent**" or "**approval**" shall refer to permission or approval, which unless otherwise expressly qualified in the specific provision, may be granted or withheld in the discretion of the Person whose consent or approval is required.

Discretion and Determination. All references in the Governing Documents to "**discretion**" or to the right to "**determine**" any matter shall refer to the sole and absolute power or right to decide or act. Unless otherwise ex-

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pressly limited in the Governing Documents or by law, any one authorized in the Governing Documents to exercise its discretion or make a determination may do so without regard to the reasonableness of, and without the necessity of justifying, the decision, determination, action, or inaction.

Maintenance. All references in this Declaration to "**maintenance**" shall refer to maintenance, repair, and replacement.

Person. References in the Governing Documents to a "**Person**" or "**Persons**" shall refer to an individual, a corporation, a partnership, a limited liability company, or any other legal entity.

Recording. All references in the Governing Documents to a "**recorded**" legal instrument, or to recordation or the recording of a legal instrument, shall refer to an instrument filed or the filing of a legal instrument in the Office of the Register of Deeds for Beaufort County, or such other place designated as the official location for filing documents affecting title to real estate in Beaufort County in order to make them a matter of public record.

NOTES

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Chapter 2
Community Administration

Vibrant communities depend upon all of their stakeholders working together to uphold community standards and achieve the vision and goals for the Community. The Club, the Owners, the builders, and others have a role in the functioning of the community and in helping to fulfill that vision. This chapter identifies these stakeholders and describes their roles in administering the Community.

2.1. The Club

The Club is the entity responsible for administering Colleton River Plantation in accordance with the Governing Documents. The Club may exercise all rights and powers which the Governing Documents and South Carolina law expressly grant to it, as well as any rights and powers that may reasonably be implied under the Governing Documents. It may also take any action reasonably necessary to effectuate any such right or privilege.

2.2. The Board

On most matters, the Club acts through its board of directors ("**Board**"). However, in some instances the Governing Documents or applicable law limit the Board's ability to act without the approval of the Club's members. Unless the Governing Documents or South Carolina law specifically provide otherwise, the Board may exercise the Club's rights and powers without a vote of the membership.

The Board may institute, defend, settle, or intervene on behalf of the Club in mediation, binding or non-binding arbitration, litigation, or administrative proceedings in matters pertaining to the Common Property, as defined in Section 3.1, enforcement of the Governing Documents, or any other civil or criminal claim or action. However, the Board has no legal duty to institute litigation or any other proceeding on behalf of or in the name of the Club or its members.

In exercising the Club's rights and powers, making decisions on the Club's behalf (including, without limitation, deciding whether to file a lawsuit or take other legal action under any circumstances) and conducting the Club's affairs, Board members and the Club's officers are required to comply with, and shall be judged by, the standards set forth in the By-Laws.

2.3. The Owners

Each Person that holds record title to a Lot, as defined in Chapter 3, is referred to in the Governing Documents as an "**Owner**." However, a Person who holds title merely as security for the performance of an obligation (such as a lender holding a mortgage or similar security instrument) is not considered an "Owner." If a Lot is sold under a recorded contract of sale, and the contract specifically so states, the purchaser (rather than the holder of fee simple title) will be considered the Owner. If a Lot has more than one Owner, all co-Owners are jointly and severally obligated to perform the responsibilities of the Owner under the Governing Documents.

Every Owner has a responsibility to comply with the Governing Documents and uphold the community standards described in Part Two of this Declaration. Each Owner also has an opportunity to participate in the administration of the Community through membership in the Club and through service to the Community in various committee and leadership roles, as described in Chapters 3 and 4 and in the By-Laws.

2.4. Mortgagees

If a Lot is made subject to a mortgage or other form of security instrument affecting title to a Lot ("**Mortgage**"), then the holder or benefici-

ary of that Mortgage ("**Mortgagee**") also has an interest in the administration of the Community. The Governing Documents contain various provisions for the protection of Mortgagees, including those set forth in Chapter 16.

NOTES

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Chapter 3
Community Structure and Organization

NOTES

The Community consists of parcels of property, referred to as Lots, which are intended for the exclusive use of the Owner and other occupants of such parcel, as well as property that is intended for common use.

Lots. The Governing Documents refer to the "Dwellings" (defined in Section 5.8) and Dwelling sites in Colleton River Plantation as "**Lots**." A Lot is a portion of Colleton River Plantation depicted as a separately identified lot or parcel on a recorded subdivision plat or survey which may be independently owned and conveyed. The term "Lot" refers to the land that is part of the Lot, as well as to any structures or other "Improvements" (defined in Section 5.1) on the Lot. The term does not include Common Property, as defined below, or property dedicated to the public.

Common Property. The land and any improvements thereon that the Club owns or in which it otherwise holds possessory or use rights for the common use or benefit of more than one Lot is referred to as "**Common Property**." The Common Property also includes any property that the Club holds under a lease, any easements in favor of the Club, and any personal property acquired by the Club.

All Common Property is devoted to and intended for the common use and enjoyment of Owners and their families and guests. The Common Property includes all property designated as "Common Property" or "Common Area" on the plats referred to in Exhibit "A" or any other approved plat or master plan for the Community, whether or not such property has been conveyed to the Club. Notwithstanding the foregoing, CRDC may, in its sole discretion, modify any plat or master plan to modify any Common Property designation prior to any conveyance of such property to the Club.

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Chapter 4
Club Membership and Voting Rights

The Club is an entity through which each Owner can participate in the governance and administration of Colleton River Plantation. While many powers and responsibilities are vested in the Board in order to facilitate day-to-day management and operation, the membership and voting rights vested in the Owners allow the Owners to participate in administration of the Community and influence the outcome of major decisions.

4.1. Membership

There shall be one membership in the Club per Lot. If a Lot has more than one Owner, all co-Owners of the Lot shall designate one Owner to exercise the privileges of membership in the Club, subject to Chapter 14 and reasonable Board regulation and the restrictions on voting set forth below and in the By-Laws. If an Owner is a corporation, a partnership, or other legal entity, its membership rights may, subject to Chapter 14, be exercised by any officer, director, partner, or trustee, or by an individual the Owner designates from time to time in writing to the Club's Secretary.

4.2. Voting

Each Lot is assigned one equal vote, subject to the limitations on voting set forth in this Declaration and the other Governing Documents.

No vote shall be exercised for any property exempt from assessment under Section 12.8.

An Owner of a Lot may personally cast the vote allocated to such Owner's Lot on any issue requiring a vote of the Owners under the Governing Documents. Voting privileges may be exercised by an Owner, his or her spouse, or an Owner's child under the age of 25 who lives with the Owner.

If there is more than one Owner of a Lot, the vote for such Lot shall be exercised by the Owner holding a majority of the ownership interest in the Lot, or, in the event no majority Owner exists, by the "Designated User" (defined in Chapter 14).

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PART TWO: COMMUNITY STANDARDS

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Chapter 5
Architecture, Landscaping, Aesthetic, and Environmental Standards

The Community derives its unique character from a mix of compatible architectural styles and from the cooperation of all builders and Owners in upholding minimum design, landscaping, and aesthetic standards. This chapter explains how those standards are established and how they are applied and maintained through a process requiring prior approval for construction on and exterior modifications to improvements on Lots.

5.1. General

All site work, including topographic, vegetation and location characteristics, landscaping, structures, including docks, piers, fences, gazebos, retaining walls, pools, mailboxes, improvements, and other items placed on a Lot in a manner or location visible from outside of any existing structures on the Lot ("**Improvements**") are subject to standards for design, landscaping, and aesthetics adopted pursuant to this chapter ("**Design Guidelines**") and the approval procedures set forth in this chapter, except as this chapter or the Design Guidelines may otherwise specify.

References in the Governing Documents to a "**dock**" shall refer to that structure, if any, which may be constructed and maintained over the waters adjacent to Colleton River Plantation pursuant to governmental regulations and any applicable permit. The term "dock," as used in this Declaration, shall include any corresponding deck constructed for the same purposes.

Generally, no approval is required for work done to the interior of a structure; however, modifications to the interior of screened porches, patios, and any other portions of a structure visible from outside of the structure do require prior approval.

Approval under this chapter is not a substitute for any approvals or reviews required by Beaufort County or any municipality or governmental agency or entity having jurisdiction over architectural or construction matters.

5.2. Design Review Authority

(a) ***Architectural Review Board.*** An Architectural Review Board ("**Architectural Review Board**" or "**ARB**") has been appointed to assume jurisdiction over matters within the scope of the delegated authority or this chapter, respectively. The ARB shall consist of at least three, but not more than nine, persons, who shall serve and may be removed and replaced in the Board's discretion. ARB members need not be Owners or representatives of Owners. The ARB may, but need not, include architects, engineers, or similar professionals.

(b) ***Fees; Assistance.*** The ARB may establish and charge reasonable fees for its review of applications and may require that such fees be paid in advance. Such fees may also include reasonable costs incurred in having professionals review any application. The Board may include the compensation of such persons in the Club's annual operating budget.

5.3. Guidelines and Procedures

(a) ***Design Guidelines.*** The Design Guidelines may contain general provisions applicable to all of Colleton River Plantation as well as specific provisions that vary among uses, housing types, or locations within the Community. The Design Guidelines are intended to provide guidance to Owners and contractors regarding matters of particular concern to the ARB. The Design Guidelines are not the exclusive basis for the ARB's decisions, and compliance with the Design Guidelines does not guarantee approval.

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The ARB may amend the Design Guidelines with the Board's consent. Amendments to the Design Guidelines shall apply prospectively only. They shall not require modifications to or removal of any structures previously approved once the approved construction or modification has begun. However, any new work on such structures must comply with the Design Guidelines as amended. There shall be no limitation on the scope of amendments to the Design Guidelines, and such amendments may eliminate requirements previously imposed or otherwise make the Design Guidelines less restrictive.

The ARB shall make the Design Guidelines available to Owners and their contractors upon request.

(b) ***Procedures.*** Unless the Design Guidelines provide otherwise, no activities within the scope of this chapter (as described in Section 5.1) may begin on any property within the Community until a written application is submitted to and approved by the ARB. The application must be accompanied by two copies of all plans and specifications and any such other information as the ARB or the Design Guidelines require.

In reviewing each application, the ARB may consider any factors it deems relevant, including, without limitation, harmony of the proposed external design with surrounding structures and environment. Decisions may be based on purely aesthetic considerations. Each Owner acknowledges that such determinations are purely subjective and that opinions may vary as to the desirability and/or attractiveness of particular improvements.

The ARB shall have the sole discretion to make final, conclusive, and binding determinations on matters of aesthetic judgment, and such determinations shall not be subject to judicial review so long as they are made in good faith and in accordance with required procedures.

The ARB shall make a determination on each application after receipt of a completed application with all required information. The ARB may permit or require that an application be submitted or considered in stages, in which case a final decision shall not be required until after the final, required submission. The ARB may (i) approve the application with or without conditions; (ii) approve a portion of the application and disapprove other portions; or (iii) disapprove the application.

The ARB shall notify the applicant in writing of the final determination on any application no later than 45 days after its receipt of a completed application and all required submissions. Notice shall be deemed given at the time the envelope containing the response is deposited in the U.S. mail. Hand delivery, facsimile, electronic mail, or similar delivery of such written notice also shall be sufficient and shall be deemed given at the time of confirmed delivery to the applicant.

If the ARB fails to respond within such 45 days, approval shall be deemed given. However, no approval, whether expressly granted or deemed granted, shall be inconsistent with the Design Guidelines or this Declaration unless a written variance has been granted pursuant to Section 5.5.

Construction must commence within six months after any approval is granted. If construction does not commence within the required period, the approval shall expire, and the Owner must reapply for approval before commencing any activities. Once construction is commenced, it shall be diligently pursued to completion. All work shall be completed within 15 months of commencement unless otherwise specified in the notice of approval or unless the ARB, in its discretion, grants an extension in writing.

The ARB may exempt certain activities from the application and approval requirements of this

chapter if such activities are undertaken in compliance with the Design Guidelines and the Community-Wide Standard.

(c) ***Appeals Process.*** An applicant may appeal any disapproval of its application to the Board. To request an appeal, the applicant must submit to the Club's Secretary no later than 15 days after the delivery of the notification of disapproval, a copy of the original application, the notification of disapproval, and a letter requesting review of the decision. The appeal request shall also contain a response to any specific concerns or reasons for disapproval listed in the notification of disapproval. The Board may (i) affirm the ARB's decision, (ii) affirm a portion and overturn a portion of the ARB's decision, or (iii) overturn the ARB's entire decision. The Board shall notify the applicant and the ARB in writing of its decision no later than 30 days after its receipt of the request for appeal with all required information. The Board's decision shall include a description of its reasons for overturning the ARB's decision. During the appeal process, the Owner shall not commence any work requiring approval hereunder.

5.4. No Waiver of Future Approvals

The people reviewing applications under this chapter will change from time to time, and opinions on aesthetic matters, as well as interpretation and application of the Design Guidelines, may vary accordingly. It may not always be possible to identify objectionable features until work is completed. In such cases, the ARB may elect not to require changes to objectionable features. However, the ARB may refuse to approve similar proposals in the future. Approval of applications or plans shall not constitute a waiver of the right to withhold approval as to any similar applications, plans, or other matters subsequently or additionally submitted for approval.

5.5. Variances

When unusual circumstances exist that make it difficult or impossible to comply with a particular requirement of the Design Guidelines, the Owner may file a request with the ARB to be excused from complying with such requirement. The ARB has the discretion to determine when a variance is appropriate.

The ARB may authorize variances from compliance with any of the Design Guidelines and any procedures when it determines that circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations justify such a variance, however, the ARB shall under no circumstances be obligated to grant variances. No variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) prevent the ARB from denying a variance in other circumstances.

5.6. Limitation of Liability

This chapter establishes standards and procedures as a mechanism for maintaining and enhancing the overall aesthetics of the Community; they do not create any duty to any Person. Review and approval of any application pursuant to this chapter may be based purely on aesthetic considerations. The ARB is not responsible for the structural integrity or soundness of approved construction or modifications, for compliance with building codes and other governmental requirements, or for ensuring that all Dwellings are of comparable quality, value, size, or design, or are aesthetically pleasing or otherwise acceptable to other Owners.

The Club, its officers, the Board, any committee, and member of any of the foregoing shall not be liable for (a) soil conditions, drainage, or other general site work; (b) any defects in plans revised or approved hereunder; (c) any loss or damage arising out of the action, inaction, integrity, financial condition, or quality of work of any

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contractor or its subcontractors, employees, or agents; or (d) any injury, damages, or loss arising out of the manner or quality or other circumstances of approved construction on or modifications to any Lot.

5.7. Certificate of Compliance

Any Owner may request in writing that the ARB issue a certificate of compliance certifying that there are no known violations of this chapter or the Design Guidelines. The Club shall either grant or deny such written request within 30 days after receipt and may charge a reasonable administrative fee. Issuance of such a certificate shall prevent the Club from taking enforcement action against an Owner for any condition known to the Club on the date of such certificate.

5.8. Dwelling Requirements

Any single family dwelling or cottage ("**Dwelling**") constructed on a Lot shall be designed by and built in accordance with the plans and specifications of a licensed architect. Each Dwelling's design and construction plans shall include a drainage plan, subject to architectural review. Drainage systems shall be designed so that there is no direct discharge or runoff into any body of water adjoining or within Colleton River Plantation without proper filtration. If the Lot has a drainage system, the design of the drainage and filtration system shall be subject to review and approval by the ARB.

No approval will be granted for any plans for a Dwelling unless the proposed Dwelling meets the following minimum square footage requirements: (i) 2,400 square feet of enclosed dwelling area for a single story Dwelling; or (ii) 3,000 square feet of enclosed dwelling area for a 1½ or two story Dwelling. Any plans for a 1½ story Dwelling shall also contain a minimum of 1,800 square feet on the first floor. As used herein, the term "enclosed dwelling area" refers to the total enclosed area of a Dwelling which is air conditioned and heated, exclusive of any garage space. Further, no plans for any Dwelling shall have a height greater than 40 feet above the elevation of the finished surface of the first floor living space of such Dwelling. All Dwellings shall have a minimum first floor elevation equal to the 100-year flood level, as designated by the Beaufort County flood plain maps.

The Club has made arrangements for a central sewage disposal system and a central water supply system. No Dwelling may be constructed on a Lot unless suitable provisions have been made for water supply and sewage disposal and the ARB has approved such provisions. No potable water wells may be drilled or maintained on a Lot by anyone other than the Club; provided, this prohibition is not intended to prevent the ARB from approving shallow wells for irrigation or heating and cooling systems which include geothermal heat transfer systems.

5.9. Siting of Improvements

To assure that Improvements on Lots will be located so that reasonable view, privacy, and breeze will be available to the largest practical number of structures built within the Community and to assure that Improvements will be located with regard to the topography of each Lot, taking into consideration the location of large trees, other Improvements previously built or approved pursuant to this Chapter for adjacent Lots, and other aesthetic and environmental considerations, the ARB shall have the right to approve (subject to the provisions of the pertinent law) the precise site and location of any Improvement within the Community. The location shall be determined only after reasonable opportunity is afforded the Owner to recommend a specific site.

In submitting site development plans to the ARB for review, each Owner shall include calculations verified by an engineer or landscape architect regarding setbacks, total pervious and impervious surface coverage, open space, gross building square footage, and any other data that

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may reasonably be requested by the ARB. Once site development plans have been approved, construction of Improvements must conform to such plans and calculations.

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5.10. Waterfront Requirements

A Lot and/or the Common Property may contain waterfront structures, including fixed piers, boatslips or floats, docks, boat ramps, decking or seating areas attached to piers, boardwalks, walkways, and similar structures constructed by the Club and/or a predecessor or successor in title. Each Owner acknowledges that policies, laws, and regulations regarding the ability to construct, alter, enlarge, or install such waterfront structures may change from time to time, and the Club makes no representation as to any Owner or the Club's ability to construct or install such structures now or in the future.

No Improvement may be erected by anyone other than the Club within the setback requirements established by the ARB. However, Improvements such as pools, decks, hot tubs, spas, or cook-out areas may be built within such setback if prior approval is granted under the terms of this Chapter 5. Reasonable variances to these setback requirements may be approved by the ARB in accordance with Section 5.5, if the ARB determines that adjacent property would not be harmed by any such variance.

5.11. Conservation Activities

It is the intent and purpose of this Declaration to protect all bodies of water within and adjoining Colleton River Plantation and to maintain and enhance the conservation of natural and scenic resources, to promote the conservation of soils, wetlands, wildlife, game and migratory birds, and to afford and enhance recreational opportunities, preserve historical sites and generally implement the Master Plan for development.

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Chapter 6
Maintenance, Repair, and Replacement

One of the benefits of owning property in a planned community is the commitment among neighbors to maintain their property in a neat, attractive, and well-landscaped condition to enhance the overall beauty and aesthetic appeal of the community. This chapter describes the Owners' responsibilities for maintenance and repair of their Lots and for insuring their Lots against property damage so that funds will be available for repair and restoration if needed.

6.1. Maintenance by Owners

Each Owner shall maintain his or her Lot, including all Improvements and landscaping comprising the Lot, in a manner consistent with the Governing Documents and the Community-Wide Standard, unless such maintenance responsibility is otherwise assumed by or assigned to the Club pursuant to this Declaration, any Supplement, or by law. Docks must be maintained in good repair and kept safe, clean and orderly in appearance at all times.

The ARB shall determine in its sole discretion whether Lots are maintained and the docks are safe, clean, orderly in appearance, and properly painted or preserved in accordance with reasonable standards. In the event the ARB notifies an Owner in writing that his or her Lot or dock fails to meet acceptable standards, such Owner shall remedy such condition within 30 days after receipt of such notice.

If the Owner fails to cure such violation to the satisfaction of the ARB, the Club may, but shall not be obligated to, make necessary repairs or take such other actions to bring the property up to acceptable standards. In the event the Club enters a Lot or dock to conduct such maintenance, such action shall not be deemed a trespass and the Club may levy a charge against such Owner to collect all expenses associated with such corrective action. The Club shall not be liable for any damage or injury occurring on, or arising out of the condition of, property it does not own except to the extent that it has been negligent in performing its maintenance responsibilities.

6.2. Maintenance by the Club

The Club shall maintain the Common Property, as more particularly described in Section 9.2. The Club may also maintain property it does not own, including, without limitation, Lots, or property dedicated to the public, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

6.3. Responsibility for Repair and Replacement

Unless otherwise specifically provided in the Governing Documents or in other instruments creating and assigning maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement necessary to maintain the property to a level consistent with the Community-Wide Standard.

Within 90 days after any damage to or destruction of a structure on a Lot, the Owner shall promptly repair or reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved pursuant to Chapter 5 unless the Board, in its discretion, agrees to extend such period. Alternatively, the Owner shall clear the Lot of debris and maintain it in a neat and attractive landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs that insurance proceeds do not cover.

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Chapter 7
Use and Conduct

In order to maintain an environment that encourages respect for and courtesy among neighbors and minimizes the potential for disputes, this chapter sets forth basic standards regarding use, occupancy, and transfer of interests in Lots. In addition, it provides a procedure by which the Board and the membership can adopt and change rules regulating use, conduct, and activities within the Community to address particular needs and desires of the Community over time.

7.1. Use, Occupancy, and Transfer of Interests in Lots

(a) ***Residential and Related Uses.*** Lots may be used only for residential and related purposes. A business activity shall be considered "related" to a residential use and thus permitted under this section only if conducted by a person or persons residing in the Dwelling and only if the business activity:

(i) is not apparent or detectable by sight, sound, or smell from outside of a permitted structure;

(ii) complies with applicable zoning requirements;

(iii) does not involve recurring visitation of the Lot by employees who do not reside in the Dwelling, clients, customers, suppliers, or other business invitees, or door-to-door solicitation within the Community; and

(iv) is consistent with the Community's residential character and does not constitute a nuisance or a hazardous or offensive use, or threaten the security or safety of others, as the Board determines in its discretion.

"Business" shall have its ordinary, generally accepted meaning and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves providing goods or services to Persons other than the family of the producer and for which the producer receives a fee, compensation, or other form of consideration, regardless of whether (i) such activity is engaged in full or part time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required. Leasing a Lot for residential purposes shall not be considered a "business" within the meaning of this subsection.

(b) ***Leasing.*** For purposes of this Declaration, the terms "**Lease**" and "**Leasing**" shall refer to the regular, exclusive occupancy of a Dwelling other than a cottage by any Person other than the Owner, for which the Owner receives any consideration or benefit. Any Dwelling that is leased shall be leased only in its entirety; separate rooms, floors, guest houses or other areas within a Dwelling or Lot may not be separately leased. Notwithstanding the foregoing, the occupancy of a room within a Dwelling or guest house on a Lot by a housekeeper, caretaker, child care giver, or personal care giver providing services to the occupants of the Dwelling shall not be considered a "lease" in violation of this subsection (b).

No Dwelling shall be leased for a term of less than six months. All leases shall be in writing and shall disclose that the tenants and all occupants of the leased Lot are bound by and obligated to comply with the Governing Documents. However, the Governing Documents shall apply regardless of whether such a provision is specifically set forth in the lease.

The Board may require that Owners use Board-approved lease forms (or include specific lease terms) and may impose a reasonable review or administrative fee in connection with the Board's review of a lease.

Within 10 days of a lease being signed and prior to the commencement of any such lease term, the Owner of the leased Lot shall notify the Board or the Club's managing agent of the lease and provide a copy of the lease to the Board and any additional information the Board may reasonably require. The Owner must give the tenant copies of the Governing Documents. In addition to, but consistent with this subsection, the Club or the Board may adopt additional Rules governing leasing.

(c) ***Transfer of Title.*** Subject to Section 19.2, any Owner desiring to sell or otherwise transfer title to his or her Lot shall give the Board at least 30 days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The Person transferring title shall continue to be jointly and severally responsible with the Person accepting title for all obligations of the Owner, including assessment obligations, until the date upon which the Board receives such notice and all amounts outstanding prior to transfer are paid in full, notwithstanding the transfer of title.

(d) ***Subdivision and Combination of Lots.*** Once a Lot has been conveyed to an Owner, no Person shall subdivide or change the boundary lines of any Lot or combine Lots.

(e) ***Timesharing.*** No Lot shall be used for operation of a timesharing, fraction-sharing, or similar program whereby the right to exclusive use of the Lot rotates among participants in the program on a fixed or floating time schedule over a period of years.

(f) ***Environmental Restrictions.*** To secure the natural beauty of the Community, the Club, its successors or assigns may promulgate and amend from time to time rules and regulations which shall govern activities which may, in its judgment, be environmentally hazardous, such as the application of fertilizers and pesticides and other chemicals. Failure of any Owner or tenant to comply with the requirements of such additional rules and regulations shall constitute a breach of the Declaration.

(g) ***Parking and Vehicle Use Restrictions.*** No vehicle may be parked on private streets or thoroughfares. The parking of commercial vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other watercraft, trailers, stored vehicles, or inoperable vehicles is prohibited in places other than enclosed garages; provided, construction, service, and delivery vehicles shall be exempt from this provision during normal business hours for such periods of time as is reasonably necessary to provide service or to make a delivery to a Lot or the Common Property.

Motorbikes and motorcycles are expressly prohibited within Colleton River Plantation. No camper, trailer, motor home, boat (including without limitation, any boat docked adjacent to the Community), recreational vehicle, or similar habitable or transportable unit or structure shall be allowed to remain on or adjacent to any Lot as a place of residence.

(h) ***Unsightly or Unkempt Conditions.*** Structures, equipment, or other items on the exterior portions of a Lot which have become rusty, dilapidated, or otherwise fallen into disrepair are prohibited from being maintained on any Lot.

(i) ***Quiet Enjoyment; Noise.*** No Person may conduct or keep within the Community any noxious or offensive activity, plant, animal, device, or other thing of any sort which in the reasonable determination of the Board tends to cause embarrassment, discomfort, annoyance, or nuisance to persons using the Common Property or to the occupants of other Lots or that emits foul or obnoxious odors outside the Lot. The use or discharge of any radio, loudspeaker, horn, whistle, bell, or other sound device so as to be audible to occupants of other Lots is expressly

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prohibited, except for alarm devices used exclusively for security purposes.

(j) ***Animals and Pets.*** No animals may be raised, bred, or kept on a Lot, except that a reasonable number of dogs, cats, or other usual and common household pets may be permitted; provided, the following breeds are specifically prohibited in Colleton River Plantation: all "pit bulldog" breeds, including but not limited to, Staffordshire Bull Terriers, Bull Terriers, Pit Terriers, and American Pit Bull Terriers.

Pets which are permitted to roam free, or, in the Board's sole discretion, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the occupants of other Lots shall be removed upon the Board's request. If the pet owner fails to honor such request within a reasonable time, the Board may remove the pet.

Dogs shall be kept on a leash or otherwise confined in a manner acceptable to the Board whenever outside the Dwelling. Pets shall be registered, licensed, and inoculated as required by law.

7.2. Rulemaking Authority and Procedures

Since it is impossible to foresee all potential situations and problems that may arise within the Community, the Board and the Owners have the authority to adopt and modify Rules, as set forth herein, to address new or changing circumstances.

(a) ***Board Authority.*** Subject to the Board's duty to exercise judgment and reasonableness on behalf of the Club and its members, the Board may adopt new Rules and modify or rescind existing Rules by majority vote of the directors at any Board meeting.

(b) ***Membership Authority.*** The Owners may adopt new Rules and modify or rescind existing Rules at any meeting of the Club duly called for such purpose, regardless of the manner in which the original Rule was adopted.

(c) ***Effective Date.*** A Rules change adopted by the Board shall take effect 30 days after the date on which written notice of the Rules change is given to the Owners.

(d) ***Conflicts.*** No action taken under this section shall have the effect of modifying or repealing the Design Guidelines or any provision of this Declaration. In the event of a conflict between the Design Guidelines and the Rules, the Design Guidelines shall control. In the event of a conflict between the Rules and any provision of this Declaration, the Declaration shall control.

7.3. Protection of Owners and Others

Except as may be set forth in this Declaration, all Rules shall comply with the following provisions:

(a) ***Similar Treatment.*** Similarly situated Lots shall be treated similarly; however, the Rules may vary by housing type (*e.g.*, Dwellings and cottages).

(b) ***Household Composition.*** No Rule shall interfere with an Owner's freedom to determine household composition, except that the Club may impose and enforce reasonable occupancy limitations and conditions based on Lot size and facilities and its fair share use of the Common Property.

(c) ***Activities Within Dwellings.*** No Rule shall interfere with the activities carried on within a Dwelling, except that the Club may prohibit activities not normally associated with residential property. It may also restrict or prohibit activities that create monetary costs for the Club or other Owners, that create a danger to anyone's health or safety, that generate excessive noise or traffic, that create unsightly conditions

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visible from outside the dwelling, or that are an unreasonable source of annoyance.

(d) ***Allocation of Burdens and Benefits.*** No Rule shall alter the allocation of financial burdens among the various Lots or rights to use the Common Property to the detriment of any Owner over that Owner's objection expressed in writing to the Club. Nothing in this provision shall prevent the Club from changing the Common Property available, from adopting generally applicable rules for use of Common Property, or from denying use privileges to those who are delinquent in paying assessments, abuse the Common Property, or violate the Governing Documents. This provision does not affect the right to increase the amount of assessments as provided in Chapter 12.

(e) ***Leasing of Lots.*** No Rule shall prohibit leasing any Dwelling or require approval prior to leasing a Dwelling, except as provided in Section 7.1.

(f) ***Abridging Existing Rights.*** No Rule shall require that an Owner dispose of personal property kept in or on a Lot in compliance with the Declaration and Rules in effect at the time such personal property was brought onto the Lot. This exemption shall apply only during the period of such Owner's ownership of the Lot and shall not apply to subsequent Owners who take title to the Lot after adoption of the Rule.

This provision protects the existing personal property of Owners. It is intended to prevent a situation in which an Owner is forced to get rid of an item that was allowed prior to a change in the Rules. For example, if basketball hoops are allowed in driveways and then a Rule is passed prohibiting basketball hoops, the Board cannot force the Owners who have basketball hoops at that time to remove them. However, they can enforce this Rule against any other Owner desiring to install one, or against any Owner who takes title to a Lot after the effective date of the new Rule.

(g) ***Reasonable Rights of CRDC.*** No Rule may unreasonably interfere with CRDC's ability to develop, market, and sell any Phase II Property and to generally conduct its businesses in Colleton River Plantation.

(h) ***Interference with Easements.*** No Rule may unreasonably interfere with the exercise of any easement.

7.4. Owners' Acknowledgment and Notice to Purchasers

By accepting a deed, each Owner acknowledges and agrees that the use, enjoyment, and marketability of his or her Lot is limited and affected by the Rules, which may change from time to time. A copy of the current Rules are available from the Club upon request. The Club may charge a reasonable fee to cover its reproduction cost.

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Chapter 8
Compliance and Enforcement

The covenants, standards, and restrictions set forth in the Governing Documents are for the benefit of all Owners and occupants of the Community. However, if they are to have any real meaning, there must be a commitment by the stakeholders in the Community to comply with them and there must be a mechanism in place to enforce that compliance in the event that someone fails or refuses to do so. This chapter sets forth the obligation to comply and the remedies available to the Club for noncompliance.

8.1. Compliance

All Owners and occupants of Lots, as well as their tenants, guests, and other visitors, must abide by the Governing Documents. If any of them fail or refuse to comply with the Governing Documents, they may be subject to various penalties, including fines and the loss of the right to use the Common Property.

Every Owner, occupant, and visitor to a Lot must comply with the Governing Documents and shall be subject to sanctions for violations as described in this chapter. In addition, each Owner shall be responsible for, and may be sanctioned for, all violations of the Governing Documents by the occupants, tenants, guests, or invitees to their Lots, and for any damage to the Common Property that such Persons may cause.

8.2. Remedies for Non-Compliance

The Club and every affected Owner shall have the right to file suit at law or in equity to enforce the Governing Documents. In addition, the Board may impose sanctions for violation of the Governing Documents, including those sanctions listed below and any others described elsewhere in the Governing Documents.

(a) ***Sanctions Requiring Prior Notice and Hearing.*** After written notice and an opportunity for a hearing in accordance with the By-Laws, the Board may:

(i) impose reasonable monetary fines, which shall be levied and shall constitute an equitable charge and a lien upon the Owner's Lot. An Owner shall be subject to the sanctions set forth herein in the event of such violation by such Owner, his or her co-Owners, family, guests, tenants, or invitees;

(ii) suspend an Owner's right to vote (except that no hearing is required if the Owner is more than 30 days delinquent in paying any assessment due to the Club);

(iii) suspend any Person's right to use any Common Property or common facilities, including the golf courses, tennis courts, and community dock (A) for any period during which any charge against any Lot owned by such Owner remains delinquent for more than 30 days, and (B) for a period not to exceed 60 days for a single violation or for a longer period in the case of any continuing violation (except that no hearing is required if the Owner is more than 30 days delinquent in paying any assessment or other charge owed the Club); provided, nothing herein shall authorize the Board to limit ingress or egress to or from a Lot;

(iv) suspend services the Club provides (except that no hearing is required if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Club);

(v) exercise self-help or take action to abate any violation of the Governing Documents in a non-emergency situation (including removing personal property that violates the Governing Documents);

(vi) without liability to any Person, preclude any contractor, subcontractor, agent, em-

ployee, or other invitee of an Owner who fails to comply with the terms and provisions of Chapter 5, including the Design Guidelines, from continuing or performing any further activities in Colleton River Plantation;

(vii) levy charges to cover costs the Club incurs in bringing a Lot into compliance with the Community-Wide Standard or other requirements under the Governing Documents; and

(viii) record a notice of violation with respect to any Lot on which a violation exists.

(b) ***Other Sanctions.*** The Board may take the following actions to obtain compliance with the Governing Documents without prior notice or a hearing:

(i) exercise self-help or take action to abate a violation on a Lot in any situation which requires prompt action to avoid potential injury or damage or unreasonable inconvenience to other persons or their property (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and regulations);

(ii) exercise self-help or take action to abate a violation on the Common Property under any circumstances;

(iii) require an Owner, at his own expense, to perform maintenance or to remove any structure or improvement on such Owner's Lot that is in violation of the Community-Wide Standard or other requirements under the Governing Documents and to restore the property to its previous condition;

(iv) enter the property and exercise self-help to remove or cure a violating condition if an Owner fails to take action as required pursuant to subsection (iii) above within 10 days after receipt of written notice to do so, and any such entry shall not be deemed a trespass; or

(v) bring suit at law for monetary damages or in equity to stop or prevent any violation, or both.

8.3. Board Decision to Pursue Enforcement Action

The decision to pursue enforcement action in any particular case shall be left to the Board's discretion, except that the Board shall not be arbitrary or capricious in taking enforcement action. For example, the Board may determine that, in a particular case:

(a) the Club's position is not strong enough to justify taking any or further action;

(b) the covenant, restriction or rule being enforced is, or is likely to be construed as, inconsistent with applicable law;

(c) although a technical violation may exist or may have occurred, it is not of such a material nature as to be objectionable to a reasonable person or to justify expending the Club's resources; or

(d) that it is not in the Club's best interests, based upon hardship, expense, or other reasonable criteria, to pursue enforcement action.

A decision not to enforce a particular provision shall not prevent the Club from enforcing the same provision at a later time or prevent the enforcement of any other covenant, restriction, or rule.

8.4. Attorneys Fees and Costs

In any action to enforce the Governing Documents, if the Club prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

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8.5. Enforcement of Ordinances

The Club, by contract or other agreement, may enforce applicable city and county ordinances. In addition, Beaufort County or the City of Bluffton may enforce ordinances within Colleton River Plantation.

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PART THREE: CLUB OPERATIONS

Chapter 9
Property Management

This chapter establishes the Club's obligation to maintain, operate, and insure Common Property for the benefit of Colleton River Plantation.

9.1. Acceptance and Control of Property

(a) ***Transfers and Conveyances by CRDC.*** CRDC and its designees may transfer or convey to the Club interests in real or personal property in accordance with the Annexation Agreement.

(b) ***Management and Control.*** The Club is responsible for management, operation, and control of the Common Property, subject to any covenants set forth in the deed or other instrument transferring the property to the Club. The Club may permit use of Common Property facilities by guests of Owners and may charge use fees, in such amount as the Board may establish, for such use. The Club may also permit occasional use of the Common Property facilities by others when, in the judgment of the Board, such use would be beneficial to the Club's reputation and financial position.

9.2. Maintenance of Common Property

The Club shall maintain the Common Property in accordance with the Community-Wide Standard. The Common Property includes the Recreational Amenities.

The Club shall also be responsible for proper functioning of the stormwater drainage system serving the Community, including maintenance, repair and replacement, as needed, of pipes, culverts, and other structures and equipment comprising the system. It shall have no responsibility for landscaping or other maintenance of Lots burdened by stormwater drainage easements unless otherwise specifically set forth in a Supplement or in a recorded agreement or plat.

The Club shall have the right, but not the obligation, to protect all Common Property from erosion, by planting trees, plants, and shrubs where and to the extent necessary or by such mechanical means as construction and maintenance of siltation basins, or other means deemed expedient or necessary by the Club.

9.3. Restoring Damaged Improvements

In the event of damage to or destruction of portions of the Common Property for which the Club has insurance responsibility, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repairing or restoring the property to substantially its condition prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

If a decision is made not to restore the damaged improvements and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Club in a neat and attractive condition consistent with the Community-Wide Standard.

The Club shall retain and place in a capital improvements account for the benefit of all Owners, any insurance proceeds remaining after paying the costs of repair or reconstruction or after such settlement as is necessary and appropriate. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Lot.

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Chapter 10
Provision of Services

In addition to its property management role, the Club is a vehicle for providing a variety of services for the benefit of the Community at large and individual Lots. This chapter describes some of the services the Club may provide and the mechanism by which it may provide varying levels and types of services to different areas of the Community.

10.1. Provision of Services to Lots

The Club may arrange for or provide services to Owners and their Lots, directly or through contracts with third parties. The Club may enter into bulk service agreements by which a particular service is provided to all Lots, or it may offer various services at the option of each Owner, or both. By way of example and not limitation, such services might include such things as cable television, utilities, fire protection, security, trash collection, landscape maintenance, pest control, caretaker services and technology services.

Any Club contract for services may require individual Owners or occupants to execute separate agreements directly with the Persons providing components or services in order to gain access to or obtain specified services. Such contracts and agreements may contain terms and conditions that, if violated by the Owner or occupant of a Lot, may result in termination of services provided to such Lot. Any such termination shall not relieve the Owner of the continuing obligation to pay assessments for any portion of the charges for such service that are assessed against the Lot.

In its discretion, the Board may discontinue offering particular services and may modify or cancel existing contracts for services, subject to the contract terms and any provision that may exist elsewhere in the Governing Documents requiring the Club to provide such services.

10.2. Opportunities for Community Interaction

The Club may make use of computers, the Internet, and expanding technology to facilitate community interaction and encourage participation in Club activities. For example, the Club may create and maintain a community intranet or Internet home page, maintain an "online" newsletter or bulletin board, and offer other technology-related services and opportunities for Owners and residents to interact and participate in Club-sponsored activities. To the extent South Carolina law permits, and unless otherwise specifically prohibited in the Governing Documents, the Club may send notices by electronic means, hold Board or Club meetings and permit attendance and voting by electronic means, and send and collect assessment and other invoices by electronic means.

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Chapter 11
Club Insurance

The Club is responsible for evaluating and insuring against various types of risks, including property damage, personal injury, and liability, and for developing an insurance program that provides adequate protection for the Club's assets. This chapter describes the minimum types and amounts of coverage that the Club must obtain, the specific requirements for such policies, and the handling of deductibles and premiums for such insurance.

11.1. Required Coverages

The Club shall obtain and maintain in effect the following insurance coverage, if reasonably available, or if not reasonably available, the most nearly equivalent coverage as is reasonably available:

(a) Property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Property. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The limits of Club property insurance policies shall be sufficient to cover the full cost of repair or replacement of the insured improvements under current building ordinances and codes based on an appraisal of the covered property which is updated annually.

(b) Commercial general liability insurance on the Common Property, insuring the Club and its Members (with respect to their status as Members of the Club) for damage or injury caused by the negligence of the Club or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, such coverage shall have a limit of at least $5,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage. Such coverage may be provided through a combination of primary and umbrella policies. However, if additional coverage and higher limits are available at reasonable cost that a reasonably prudent person would obtain, the Club shall obtain such additional coverages or limits;

(c) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(d) Directors and officers liability coverage;

(e) Commercial crime insurance, including fidelity insurance covering all employees and other Persons responsible for handling Club assets in an amount determined in the Board's business judgment. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation;

(f) Automobile (hired and non-owned) liability and physical damage insurance; and

(g) Any other insurance coverage deemed necessary by the Board (*e.g.*, loss of income, flood insurance, etc.).

The Club shall arrange for an annual review of the sufficiency of its insurance coverage by one or more qualified Persons and, in connection with such review, shall inform such Person(s) of the insurance requirements set forth in this chapter. In the exercise of its business judgment, the Board may obtain additional insurance coverage and higher limits than this section requires.

11.2. Deductibles

The Board may hold any Persons who cause damage to insured improvements responsible for the insurance deductible payable on any insurance claim related to such damage.

The Club's policies may contain a reasonable deductible, which shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 11.1. In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may assess the full amount of such deductible against such Owner(s) and their Lots.

11.3. Policy Requirements

All Club policies shall provide for a certificate of insurance or the original policy to be furnished to the Club, and all insurance certificates or policies shall be made available for inspection by Owners upon request.

To the extent available at reasonable cost and terms, all Club insurance shall:

(a) be written with a company authorized to do business in South Carolina;

(b) satisfy the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(c) be written in the name of the Club as trustee for the benefited parties. All policies shall be for the benefit of the Club and its members and their Mortgagees, as their interests may appear;

(d) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(e) recognize the effect of inflation on property replacement costs, either through the use of property appraisals updated annually or by the inclusion of an inflation guard endorsement;

(f) include an agreed amount endorsement;

(g) provide that each Owner is an insured person with respect to liability arising out of such Owner's status as a member of the Club;

(h) provide a waiver of subrogation against any Owner or household member of an Owner for, at a minimum, damages or claims arising out of acts performed on behalf of the Club; and

(i) include an endorsement precluding cancellation, invalidation, or suspension by the insurer on account of any act or omission of one or more Owners, unless acting on the Club's behalf within the scope of their authority, or on account of any curable defect or violation, without prior written demand to the Club and allowance of a reasonable time to cure the defect or violation.

Subrogation is a legal concept by which one person is substituted in the place of another with respect to a lawful claim or right. For example, once they have paid a claim by an insured party, insurance companies generally have the right to step into the shoes of the insured party and sue anyone that the insured party could have sued.

In addition, the Board shall use reasonable efforts to secure insurance policies that provide:

(a) a waiver of subrogation as to any claims against the Club's directors, officers, employees, and manager;

(b) a waiver of the insurer's right to repair and reconstruct instead of paying cash;

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(c) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(d) an endorsement requiring at least 30 days' prior written notice to the Club of any cancellation, substantial modification, or non-renewal;

(e) construction code endorsements, including demolition costs endorsements, contingent liability from operation of building laws endorsements and increased cost of construction endorsements;

(f) a cross liability provision;

(g) that each Owner is an additional insured; and

(h) a provision vesting in the Board exclusive authority to adjust losses. However, Mortgagees having an interest in such losses may not be precluded from participating in the settlement negotiations, if any, related to the loss.

11.4. Insurance Premiums

Premiums for all Club insurance shall be a "Common Expense" (as defined in Section 12.1), unless the Board reasonably determines that other treatment of the premiums is more appropriate.

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Chapter 12
Club Finances

This chapter provides for various types of funding to cover expenses and capital expenditures that the Club incurs or expects to incur in exercising its authority and performing its responsibilities under the Governing Documents. The primary source of funding is the assessments which this chapter authorizes the Club to levy against the Lots and collect from the Owner of each Lot. Assessments are secured by a lien on each Lot as described in this chapter.

12.1. Budgeting Annual Assessments

At least 30 days before the beginning of each fiscal year, the Board shall adopt an operating budget for the "Common Expenses" of the Club for the coming year and a capital budget. Except as the Governing Documents otherwise specifically provide, all of the expenses that the Club incurs, or expects to incur, in connection with the ownership, maintenance, and operation of the Common Property, and otherwise for the general benefit of the Owners, are considered "**Common Expenses**."

The operating budget shall include an "**Annual Operating Assessment**" to be allocated equally among all Lots subject to assessment under Section 12.5. The Annual Operating Assessment shall not be increased by more than the greater of 10% above the previous year's Annual Operating Assessment or to an amount equal to the 1997 Annual Operating Assessment compounded annually at 7.5%, unless such increase shall be approved at a special meeting by two-thirds (2/3) of the votes cast by the Owners. Until the time of "Turnover" (defined in Section 17.2), the Annual Operating Assessments paid by Phase II Lot Owners shall accrue to CRDC; however, the Club shall bill and collect all assessments paid by the Phase II Owners.

The capital budget shall include an annual "**Replacement Reserve Assessment**" to be allocated equally among all Lots subject to assessment under Section 12.5. The annual Replacement Reserve Assessment shall not be increased by more than the greater of 10% above the previous year's Replacement Reserve Assessment or to an amount equal to the fiscal 2003 Replacement Reserve Assessment compounded annually at 7.5%, unless such increase shall be approved at a special meeting by two-thirds (2/3) of the votes cast by the Owners.

The Board shall send a notice of the amount of the Annual Operating Assessment and the Replacement Reserve Assessment to be levied pursuant to such budget, to each Owner at least 30 days prior to the date on which such new assessments are first due.

There shall be no obligation to call a meeting for the purpose of considering any assessments within the limits stated above except on petition of the Owners as provided for special meetings in the By-Laws. Any such petition must be presented to the Board within 10 days after delivery of the notice of any assessment.

The Board may revise the budget and adjust the Annual Operating Assessment and Replacement Reserve Assessment anytime during the year, subject to the same annual limitations as set forth above. Notice of any revision of the assessments shall be sent to each Owner at least 30 days prior to the effective date of such revised assessments.

12.2. Replacement Reserve

The Club shall establish and maintain an adequate Replacement Reserve fund from the Replacement Reserve Assessments collected from Owners for the following uses: (i) extraordinary repairs to or replacement of improvements to the Common Property which the Club is obli-

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gated to maintain; (ii) repayment of interest and principal of borrowings by the Club for these allowed purposes; or (iii) to the extent that there is any, tax liability related to the Replacement Reserve fund or any income derived therefrom. Said Replacement Reserve Fund shall be maintained in a segregated account established by the Club.

12.3. Special Assessments

The Club may levy "**Special Assessments**" to finance the cost of any substantial construction or reconstruction, expected repair or replacement of Common Property, including the necessary fixtures and personal property related thereto, or additions to the Common Property. Any such Special Assessment shall require the affirmative vote of Owners representing more than two-thirds (2/3) of the Owners voting and shall be allocated equally among all Lots subject to assessment under Section 12.5.

12.4. Specific Assessments

The Club may levy "**Specific Assessments**" against a particular Lot:

(a) to cover the costs of providing services to the Lot upon request of the Owner (which might include the items identified in Section 10.1); and

(b) to cover fines for violations of the Governing Documents or costs incurred in bringing the Lot into compliance with the Governing Documents or costs incurred as a consequence of the conduct of the Owner or occupants of the Lot, their agents, contractors, employees, licensees, invitees, or guests.

12.5. Authority to Assess Owners; Time of Payment

The Club is authorized to levy assessments as provided herein. The obligation to pay assessments shall commence as to each Lot on the date on which the Lot is made subject to this Declaration. Annual Operating and Replacement Reserve Assessments shall be paid in such manner and on such date as the Board may establish. The due date of any special assessment shall be fixed and set forth in the resolution authorizing such special assessment. The Board may impose special requirements for Owners with a history of delinquent payment.

12.6. Obligation for Assessments

By buying a Lot in Colleton River Plantation each Owner agrees to pay all assessments levied against his or her Lot. If the Owner does not pay on time, that Owner will be charged late fees or charges on all amounts due. Owners may not claim a reduction in their assessments due to action or inaction by the Club.

By accepting a deed or entering into a recorded contract to purchase any Lot, each Owner covenants and agrees to pay all assessments authorized in the Governing Documents, together with any collection costs, interest or late charges equal to 1.5% per month of the unpaid amount (not to exceed the maximum charges allowed by law). Any delinquency shall be the personal obligation of each Owner and a lien upon each Lot until paid in full. Upon a transfer of title to a Lot, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance.

The Board shall deliver or mail each Owner an assessment notice based on the last address known to the Club, and failure of an Owner to receive such notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments.

No Owner may exempt himself or herself from liability for assessments by non-use of Common Property, abandonment of his or her Lot, or non-use of services provided to all Lots. The obligation to pay assessments is a separate and independent covenant on the part of each

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Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Club or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

Upon written request, the Club shall furnish to any Owner liable for any type of assessment a certificate signed by a Club officer setting forth whether such assessment has been paid. Such certificate shall be conclusive evidence of payment. The Club may require the advance payment of a reasonable processing fee for the issuance of such certificate.

12.7. Lien for Assessments and Other Charges

(a) ***Existence of Lien.*** The Club's lien against each Lot to secure payment of assessments and other charges shall be superior to all other liens, except (i) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (ii) the lien or charge of any recorded Mortgage made in good faith and for value having first priority over any other Mortgages on the Lot.

Although no further action is required to create or perfect the lien, the Club may, as further evidence and notice of the lien, execute and record a document setting forth as to any Lot the amount of the delinquent sums due the Club at the time such document is executed and the fact that a lien exists to secure the repayment thereof. However, the failure of the Club to execute and record any such document shall not affect the validity, enforceability, or priority of the lien.

(b) ***Enforcement of Lien.*** The Club may bid for the Lot at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Lot. While a Lot is owned by the Club following foreclosure: (i) no right to vote shall be exercised on its behalf; (ii) no assessment shall be levied on it; and (iii) each other Lot shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Lot had it not been acquired by the Club. The Club may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same, in addition to pursuing any and all remedies allowed by law to enforce the lien.

(c) ***Effect of Sale or Transfer.*** Sale or transfer of any Lot shall not affect the assessment lien or relieve such Lot from the lien for any subsequent assessments. However, the sale or transfer of any Lot pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any assessments applicable to periods prior to the Mortgagee's foreclosure. The subsequent Owner of the foreclosed Lot shall not be personally liable for assessments on such Lot applicable to periods prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Lots subject to assessment under Section 12.5, including such acquirer, its successors and assigns.

If an Owner does not pay his or her assessments on time, the Club may foreclose its lien on the Owner's Lot, causing it to be sold to pay the past due assessments. The Club may also sue an Owner in court to recover past due assessments.

12.8. Exempt Property

The Owner of each Lot is responsible for all assessments established pursuant to the provisions of this chapter except that the following property shall be exempt from payment of assessments:

(a) All Common Property whether or not title to such Common Property has been transferred to the Club;

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(b) Until Turnover, any Lots within the Phase II Property that are owned by CRDC; and

(c) Any property dedicated to and accepted by any governmental authority or public utility.

12.9. Capitalization of the Club

(a) ***Capital Contribution.*** Any Person purchasing a Lot within Colleton River Plantation shall make a "**Capital Contribution**" to the capital of the Club in an amount equal to $15,000.00 per Lot. This amount shall be in addition to, not in lieu of, the Annual Assessment, Replacement Reserve Assessment and any Special Assessment levied on the Lot and shall not be considered an advance payment of such assessments. This amount shall be due and payable to the Club immediately upon transfer of title. As used herein, the term "Capital Contribution" shall include initiation fees collected under the terms of any prior version of the Declaration in effect at the time such fees were collected.

(b) ***Use of Capital Contributions.*** The Capital Contributions shall be maintained by the Club in a separate account not to be commingled with the general operating funds. The Capital Contributions shall only be used for capital expenditures and/or repayment of debt incurred in connection with said capital expenditures and/or the refund of capital fees paid by Owners pursuant to Section 12.11. Further, to the extent that there is tax liability related to the Capital Contributions or any income derived therefrom, the payment of said tax liability shall be an allowed use.

(c) ***Approval of Use of Capital Contributions.*** Funds generated by the Capital Contributions shall only be used pursuant to the approval of Owners as indicated below. Approval of any expenditure for a capital project over $250,000 shall have the assent of a simple majority of the vote at a duly called meeting of Owners, written notice of which shall be sent to all owners at least 30 days in advance, and shall set forth the purpose of the meeting. All other uses of funds generated by Capital Contributions shall be approved by the Board. All Capital Contributions paid by purchasers of Lots owned by CRDC in Phase II prior to Turnover shall be paid to CRDC. All other Capital Contributions, including those paid on Lots owned by CRDC post-Turnover, shall be paid to the Club.

(d) ***Refund of Capital Contributions.*** A portion of the Capital Contribution shall be used to refund the capital fee, if any, initially paid by the selling Owner. Within 30 days after the Closing, the Club shall pay the selling Owner the balance of the refundable portion of the capital fee as required by Section 12.11. Notwithstanding the above, no refund shall occur if the transaction is exempt under Section 12.9(f)(ii) – (vi).

(e) ***Effect of Non-Payment of Capital Contribution, Personal Obligation of Owner, Lien Remedies of the Club.*** If the Capital Contribution as described herein is not paid on or before the date due, then such Capital Contribution shall become delinquent and shall together with interest thereon at the rate of 18% per annum (or the maximum interest rate allowable by law) from the due date, and the cost of collection as hereinafter provided, become a charge and continuing lien on the land and on improvements thereon against which such Capital Contribution is made. The obligation of the Owner to pay the Capital Contribution, however, shall remain his personal obligation and shall not pass as a personal obligation to his successors in title unless expressly assumed by them.

If the Capital Contribution is not paid within 30 days after the due date, the Club may bring an action at law against the Owner personally obligated to pay the same, or to foreclose the lien against his Lot, and there shall be added to the amount of that Capital Contribution the cost of preparing and filing a complaint in such action as well as any other costs and expenses incurred,

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and in the event a judgment is obtained, such judgment shall include interest on the Capital Contribution, as provided, and reasonable attorneys fees and costs of action.

(f) ***Exemptions***. The following shall be exempt from payment of a Capital Contribution as set forth in this Section 12.9:

(i) An Owner in good standing of at least a majority interest in a Lot that purchases an additional Lot or Lots;

(ii) Any purchase of a Lot by trade of another Lot, whether or not involving additional consideration;

(iii) In the case of a Lot owned by co-Owners, whether persons or legal entities, the sale of less than all of the ownership interests in the Lot shall be exempt unless such sale changes the majority ownership interest in the Lot, as measured by the cumulative effect of transactions from the later of the last change in majority ownership interest or the effective date of this Declaration, in which case, such transaction shall not be exempt under this Section 12.9(f);

(iv) Any transfer of ownership to a corporation, partnership, or other legal entity, provided there is no change in the effective majority ownership interest;

(v) Any first mortgagee foreclosing on a Lot or taking back a deed in lieu of foreclosure; and

(vi) Any transfer of ownership by inheritance or through conveyance for reasons of estate planning.

12.10. Use and Consumption Fees

The Board may charge use, consumption, and activity fees to any Person using Club services or facilities or participating in Club-sponsored activities. The Board may determine the amount and method of determining such fees. Different fees may be charged to different classes of users (*e.g.*, Designated Users and guests).

12.11. Capital Fees

Pursuant to the terms of the Third Amended and Restated Colleton River Plantation Declaration of Covenants and Provisions for Membership in Colleton River Plantation Club, Inc., recorded May 24, 2002 in Book 1585, Page 1072, *et seq.*, Beaufort County, South Carolina records (as amended by recorded amendments, collectively, the "**Third Amended and Restated Declaration**"), certain Owners were required to pay a "capital fee" to the Club that was subject to refund as set forth in such Third Amended and Restated Declaration. Lots within Colleton River Plantation are no longer subject to payment of this capital fee, but certain Owners remain eligible for a refund of the capital fee previously paid by them. This Declaration and Section 12.9(d) set forth the conditions under which such refunds will be made.

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PART FOUR: RELATIONSHIPS WITHIN AND OUTSIDE THE COMMUNITY

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Chapter 13
Easements

The easements created in this chapter establish the rights of Owners to use the Common Property and create various rights for the benefit of Owners, CRDC, the Club, and others over property within the Community. Some of these rights are related to development and construction within the Community and on adjacent property, while others relate to the rights of the Club to come upon property of others to fulfill its responsibilities and the interrelationships between the Community and the owners of adjacent property.

13.1. Easements in Common Property

An easement is one person's right to go onto the property of another.

The Club grants to each Owner a nonexclusive right and easement of use, access, and enjoyment in and to the Common Property, subject to:

(a) The Governing Documents and any other applicable covenants; and

(b) Any restrictions or limitations contained in any deed conveying such property to the Club;

(c) The Board's right to:

(i) adopt rules regulating Common Property use and enjoyment, including rules limiting the number of guests who may use the Common Property, and to charge use fees for such use;

(ii) suspend an Owner's right to use Common Property facilities;

(iii) dedicate or transfer all or any part of the Common Property, subject to such approval requirements as may be set forth in this Declaration;

(iv) rent any portion of any clubhouse or other Common Property recreational facilities on an exclusive or non-exclusive short-term basis to any Person;

(v) permit use of any Common Property facilities, at such charge or no charge as the Board may determine appropriate, for the purpose of offering and conducting classes or other activities for interested Owners and occupants, whether offered on a for profit or nonprofit basis; and

(vi) mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred.

13.2. Easements for Utilities and Other Infrastructure

(a) ***Installation and Maintenance.*** The Club reserves for itself and grants to all utility providers, for perpetual duration, non-exclusive easements throughout Colleton River Plantation (but not through a structure) to the extent reasonably necessary to:

(i) install utilities and infrastructure to serve Colleton River Plantation, security and similar systems, and drainage systems;

(ii) install walkways, pathways and trails, street lights, and signage on property CRDC or the Club owns or within public rights-of-way or easements reserved for such purpose on a recorded plat;

(iii) inspect, maintain, repair, and replace the utilities, infrastructure, and other improvements described above; and

(iv) access and read utility meters.

Notwithstanding the above, the Club reserves the right to deny access to any utility or service provider, to the extent permitted by law, or to condition such access on negotiated terms.

These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any grades of the soil, or to take any other similar action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance.

(b) ***Specific Easements***. The Club also reserves the non-exclusive right and power to grant and record such specific easements consistent with Section 13.2(a) as it deems necessary to develop the Common Property.

(c) ***Assignment***. The Club expressly reserves the right to transfer, license, or lease the utilities and utility easements and cellular telephone sites set forth herein, in whole or in part, to another entity, whether public or private, which undertakes to provide such utility service.

13.3. Easements for Maintenance, Emergency, and Enforcement

The Club may come onto the exterior portions of a Lot to do maintenance or to address violations of the covenants but will give prior notice unless there is an urgent need to enter the property before notice can be given.

The Club reserves for itself easements over Colleton River Plantation as necessary to enable the Club to fulfill its maintenance responsibilities under Section 6.1 and its enforcement rights under Section 8.2. The Club shall also have the right, but not the obligation, to enter upon any Lot for emergency, security, and safety reasons, to perform maintenance, to inspect for compliance with the Governing Documents, and to enforce the Governing Documents. Any member of the Board and its duly authorized agents and assignees and all emergency personnel in the performance of their duties may exercise such right. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner.

13.4. Easements for River and Pond Maintenance and Flood Water

The Club has the right to access property adjacent to rivers, streams, marshland, and other water bodies to perform maintenance and for irrigation purposes. They also have the right to cause water levels in ponds in Colleton River Plantation to rise above or fall below normal. They will be responsible for repairing any damage they cause in so doing.

The Club reserves for itself, its successors, assigns, and designees, the nonexclusive right and easement, but not the obligation, to enter upon bodies of water and wetlands located within the Common Property to (a) install, operate, maintain, and replace pumps to supply irrigation water to the Common Property; (b) construct, maintain, and repair structures and equipment used for retaining water; and (c) maintain such areas in a manner consistent with the Community-Wide Standard. The Club and its successors, assigns, and designees shall have an access easement over and across any portion of Colleton River Plantation which abuts or contains bodies of water or wetlands, to the extent reasonably necessary to exercise their rights under this section.

The Club further reserves for itself, its respective successors, assigns, and designees, in accordance with government regulations, a perpetual, nonexclusive right and easement of access and encroachment over the Common Property and Lots (but not the Dwellings thereon) near bodies of water and wetlands within Colleton River Plantation, in order to (a) temporarily flood and back water upon and maintain water over such property; (b) alter in any manner and

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generally maintain the bodies of water and wetlands within the Common Property; and (c) maintain and landscape the slopes and banks pertaining to such areas. All Persons entitled to exercise these easements shall use reasonable care in and repair any damage resulting from the intentional exercise of such easements. Nothing herein shall be construed to make the Club or any other Person liable for damage resulting from flooding due to weather events or other natural occurrences.

13.5. Pedestrian Easements Over Lots

(a) ***Easement of Access to and Use of Waterfront Areas.*** Portions of the Colleton River waterfront within Colleton River Plantation are intended as a community amenity for the use and enjoyment of all Owners and their guests and invitees. The Club hereby grants to itself, CRDC, and their successors and assigns, each Owner, and their guests and invitees, a non-exclusive right and easement over and across trails and other pedestrian pathways, as determined by the Club, adjacent to Colleton River Plantation for access, ingress, and egress to and from, and for the use and enjoyment of, the Colleton River waterfront.

The right and easement over any Lot to access the waterfront shall be subject to reasonable regulation by the Club, and any governmental authority having jurisdiction over such use.

(b) ***Location of Easements.*** Those areas within the Lots subject to the easement rights described in this section shall be shown on a recorded plat or otherwise specifically described in a recorded instrument. The Club's consent is required to relocate such easement areas, which consent shall not be unreasonably withheld, conditioned, or delayed.

13.6. Easements for Golf Course

If the golf course is close to your Lot, you can expect that golf balls and people will come near your Lot. This section puts Owners on notice that activities relating to the golf course will affect Lots next to the golf course.

The Community is burdened with an easement permitting golf balls unintentionally to come upon areas adjacent to or in the vicinity of a golf course, and for golfers at reasonable times and in a reasonable manner to come upon the Common Property or the exterior portions of a Lot to retrieve errant golf balls. However, if any Lot is fenced or walled, the golfer shall seek the Owner's permission before entry. The existence of this easement shall not relieve the golfers of liability for damage caused by errant golf balls.

Under no circumstances shall any of the following Persons be held liable for any damage or injury resulting from errant golf balls or the exercise of this easement: CRDC; the Club or its members (in their capacities as such); any Builder or contractor (in their capacities as such); any officer, director, or partner of any of the foregoing, or any officer or director of any partner.

The Club, its agents, successors, and assigns, shall at all times have a right and non-exclusive easement of access and use over those portions of the Common Property reasonably necessary to the operation, maintenance, repair, and replacement of its golf course.

Any portion of the Community immediately adjacent to any golf course is hereby burdened with a non-exclusive easement in favor of the adjacent golf course for overspray of water from the irrigation system serving such golf course. **Under no circumstances shall the Club be held liable for any damage or injury resulting from such overspray or the exercise of this easement.**

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The Club, its successors and assigns, shall have a perpetual, exclusive easement of access over Colleton River Plantation for the purpose of retrieving golf balls from bodies of water within the Common Property lying reasonably within range of golf balls hit from its golf course.

13.7. Easements Regarding Pesticides

The Club reserves unto itself, its successors, assigns and licensees, a perpetual, alienable and releasable easement and right on, over, and under the Community to dispense pesticides and take other actions which in the opinion of the Club are necessary or desirable to control insects and pests, cut fire breaks and or otherwise control fires within the Community.

13.8. Cram Easements

Henry C. Cram, Jr., his heirs and assigns, his family, guests, invitees, and employees shall have access over the roads located within the "**Phase I Property**" described in Exhibit "A" for the purpose of accessing his property at Victoria Bluff, which is adjacent to Colleton River Plantation, for the development of up to 11 single family Lots to be located on the Victoria Bluff property.

In addition, Peter C. Cram and Claire C. Vidich, their heirs and assigns, their families, guests, invitees, and employees shall have access over the roads located in the Phase I Property for the purpose of accessing their property on Bear Island, which is adjacent to Colleton River Plantation, for the development of up to 30 single family Lots to be located on the Bear Island property.

13.9. Easements for Access and Parking

There is hereby established for the benefit of the Recreational Amenities (defined in Section 14.1) and its Designated Users (defined in Chapter 14), guests, invitees, employees, agents, contractors, and designees, a right and nonexclusive easement of access and use over all roadways located within Colleton River Plantation reasonably necessary to travel between the entrance to Colleton River Plantation and any Recreational Amenity and over those portions of Colleton River Plantation (whether Common Property or otherwise) reasonably necessary to the operation, maintenance, repair, and replacement of any Recreational Amenity.

13.10. Minimal Interference

Any Person exercising any right or easement described in this chapter shall minimize interference with the use and enjoyment of the property burdened by the easement. Persons exercising such easement rights shall be responsible for any damage caused to the Common Property or any Lot as a result of their actions in connection with the exercise of such easement rights. Upon completion of any work pursuant to an easement right, the Person exercising the easement shall restore the property, to the extent reasonably possible, to the condition existing prior to the commencement of the work. All work performed pursuant to an easement right shall be performed in a good and workmanlike manner in accordance with all applicable laws.

The exercise of easements under this chapter shall not extend to permitting entry into the structures on any Lot, nor shall it unreasonably interfere with the use of any Lot, and, except in an emergency, entry onto any Lot shall be made only after reasonable notice to the Owner or occupant.

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Chapter 14
Recreational Amenities and Designated Users

Various recreational and other facilities and amenities are located within the Community that are part of the Common Property of the Community and ownership of property in the Community grants certain individuals the right to use them. This chapter explains the use rights of those individuals who are entitled to use the "Recreational Amenities" (as defined below).

Those individuals who are entitled to use and enjoy the Recreational Amenities are known as "**Designated Users**." Every Lot within the Community has one Designated User but every Owner is not necessarily a Designated User, as explained and set forth in this Chapter 14.

14.1. Recreational Amenities

(a) ***Amenities.*** The "**Recreational Amenities**" of Colleton River Plantation include two 18-hole golf courses, a nine hole par 3 course, golf driving ranges, putting greens, tennis courts, swimming pools, golf/tennis pro shops, locker room facilities, clubhouses, food and beverage facilities, lagoons, jogging trails, bike paths, golf cart paths, community docks, a fitness center, and any other amenities which are located or may from time to time be located in the Common Property.

(b) ***Fees for Use of Recreational Amenities.*** A Designated User shall not be charged user fees or similar charges with respect to the use of the Recreational Amenities. These rights shall also extend to a Designated User's spouse, if any, and children, if any, so long as any such children (i) are under the age of 25, and (ii) reside in the Designated User's household, are away at school, or are in the United States military. A Designated User's guest, or child who does not meet the conditions set forth above, shall be subject to use, consumption, and activity fees, as established by the Board from time to time. Although Designated Users are not required to pay use fees, they shall be responsible for any fees associated with golf cart, locker, and meeting room rentals, food and beverage charges, golf and tennis lessons, pro shop purchases, masseur and physical therapy services, and any other fees and charges which are customarily charged directly to members of private clubs.

14.2. Designated Users

(a) ***Determining Designated Users.*** Subject to the terms and provisions of this Declaration and other rules and regulations established by the Board, each Lot that is not exempt from assessments under Section 12.8 shall have a person who shall be the Designated User of such Lot. Each Lot may assign only one Designated User for the Lot.

(i) ***Ownership by an Individual.*** In the event a Lot is owned by a single Owner, which includes ownership by husband and wife, the Designated User of such Lot shall be the Owner of such Lot, and use rights of the Recreational Amenities shall be granted to such Owner and spouse, if any, and eligible children, if any, as set forth in Section 14.1(b) above, unless such Owner assigns his or her Designated User privileges to another person, as described in Section 14.2(b) below.

(ii) ***Joint Ownership and Ownership by a Legal Entity.*** In the event any Lot is owned by more than one Owner or a legal entity, the collective Owners of such Lot shall unanimously designate one of the Owners of at least a 25% interest in the Lot or entity as the Designated User, who shall have the right, privilege, easement of access to, and use and enjoyment of, the Recreational Facilities, for a minimum of 12 months.

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Notice of this designation shall be delivered to the Board and is subject to Board approval as provided in Section 14.2(e) below. If approved by the Board, such individual shall be deemed the Designated User of such Lot and shall be entitled to the use privileges set forth herein.

(b) ***Assignment of Designated User Privileges.*** The Owner of a Lot may designate another individual, subject to the requirements set forth in this section, to be the Designated User for the respective Lot. However, if a Dwelling has been built on the Lot, the Owner may not reside in the Dwelling and designate another individual to be the Designated User; provided, if the Owner of such Dwelling enters into a lease pursuant to Chapter 7, the lessee, and only the lessee, may be proposed as the Designated User subject to approval under Section 14.2(e).

Assignment of Designated User rights to another person shall result in a forfeiture of the Owner's rights to use the Recreational Amenities for the period in which such assignment is effective; provided, such Owner may continue to use the Recreational Amenities as a "guest" subject to guest rules and regulations.

(c) ***Limitations on Non-Owner Designated Users.*** No more than 5% of the Lots within Colleton River Plantation may have non-Owner Designated Users at any given time. Such cap may be changed only by the affirmative vote or written consent of Owners representing at least two-thirds (2/3) of the total votes cast. No person may be a non-Owner Designated User for a cumulative period of more than three years.

(d) ***Restrictions on Naming Designated Users.*** The following restrictions shall apply to naming Designated Users within the properties:

(i) In no event shall any Owner advertise for a Designated User in any newspaper or other printed publication, broadcast media, or website. Any Owner so advertising shall forfeit the right to name another person as a Designated User for a period of at least 12 months; and

(ii) Any Designated User who is so designated by virtue of any provision of this Chapter 14 other than Section 14.2(a)(1), shall be subject to approval of the Board on an annual basis, as set forth in Section 14.2(e) below.

(e) ***Board Approval of Designated Users.*** The Board shall establish reasonable criteria for approval of Designated Users, including, but not limited to, standards relating to conduct and credit worthiness. The name of the proposed Designated User of each Lot other than a Designated User under the terms of Section 14.2(a)(i), shall be provided to the Board by the Owner of such Lot for prior approval and annually reviewed by the Board. No Owner may change the Designated User more than once per year, except upon the death or incapacity of the Designated User. The Board shall keep appropriate records of the Designated User of each Lot.

(f) ***Payment of Operating Assessments.*** Every Designated User shall be entitled to use privileges as set forth in this Chapter 14 and shall be responsible for the payment of the annual operating assessments for such Lot. In the event any non-Owner or co-Owner Designated User does not pay his or her operating assessment, the Owner of such Lot, or, in the case of co-Owners, the remaining co-Owner(s), shall be responsible for such payments.

(g) ***Reinstatement of Owner's Use Rights.*** The Board may upon petition by the Owner reinstate the Owner's rights to use the Recreational Amenities upon termination of the assignment under Section 14.2(b) of user rights to another person.

14.3 Founder and Honorary Members

CRC, L.P. and CRDC have designated certain individuals as "**Founder and Honorary Members**" entitled to use the Recreational

Amenities without payment of annual operating and replacement reserve assessments or fees. Founder and Honorary Members shall not be required to pay greens fees, golf cart fees, or guest greens fees, up to a maximum of two foursomes per month but shall be responsible for any food and beverage charges, or any other services requested or charges incurred. Founder and Honorary Memberships are not transferable, and are non-revocable during the lifetime of such Founder and Honorary Member and his or her spouse. Family members of any Founder and Honorary Member shall have the same benefits as the family of any Designated User.

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Chapter 15
Disclosures and Waivers

This chapter discloses some important information about the Community for the benefit of prospective purchasers of property in the Community. Each Owner, by accepting a deed to property in the Community, also accepts and agrees to the matters set forth in this chapter.

15.1. Safety and Security

Each Owner and occupant of a Lot, and their respective guests and invitees, shall be responsible for their own personal safety and the security of their property in Colleton River Plantation. The Club may, but shall not be obligated to, maintain or support certain activities within Colleton River Plantation designed to promote or enhance the level of safety or security which each person provides for himself or herself and his or her property. However, the Club shall not in any way be considered an insurer or guarantor of safety or security within Colleton River Plantation, nor shall it be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including security monitoring systems or any mechanism or system for limiting access to Colleton River Plantation, cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing any tenants and other occupants of such Owner's Lot, that the Club and its Board and committees are not insurers or guarantors of security or safety and that each Person within Colleton River Plantation assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots and Dwellings, resulting from acts of third parties.

15.2. View Impairment

The Club does not guarantee or represent that any view over and across the Lots, Recreational Amenities, any open space within the Community, or any golf course will be preserved without impairment. The Club shall have no obligation to relocate, prune, or thin trees or other landscaping except to maintain the Community-Wide Standard or as otherwise required under a separate covenant or agreement. The Club has the right to add trees and other landscaping from time to time, subject to applicable law.

In addition, the Club may, in its sole and absolute discretion, but shall not be obligated to, change the location, size, configuration, landscaping, topography, hydrology, and elevation of the tees, bunkers, fairways, greens, buildings, improvements, landscaping, and water features on any golf course. Any such additions or changes to such golf course may diminish or obstruct the view from the Lots. Any such additions or changes may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

15.3. Limited Liability for Golf Courses

Neither CRC, L.P., its partners, nor the Club or CRDC, or any of its their appointees, directors or officers, or its assignees, nominees, or agents, including, *e.g.*, Jack Nicklaus, Jack Nicklaus Design, Inc., Golden Bear International, Inc., Pete Dye, or Dye Designs, shall in any manner be held liable or responsible, either directly or indirectly, for any damage to a Lot, or to any Improvement thereon or personal property, or for any injury to any person due to any golf ball, whether in motion or at rest, which has been driven from the golf course property or its environs, and each Owner, for themselves and their guests and invitees acknowledge that risks

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of injury to persons or property are inherent to persons or property located upon or in close proximity to a golf course, and agree that they assume all risks resulting there from, including but not limited to, claims of negligent design of the golf course property or the Lots, negligent construction of Improvements or location of Improvements.

Further, each Lot Owner, by accepting a deed to his Lot, agrees to indemnify and hold CRC, L.P., CRDC, and the Club, their partners, and its and their directors, officers, agents and employees harmless from and against all damages, including reasonable attorneys fees and costs, arising out of any injury to person or property which occurs to any person or property (real or personal) proximately caused by any golf ball, or the negligence of the Club, CRDC, CRC, L.P, their partners, or their directors, officers, agents or employees. This paragraph may not be amended without the written approval of the Club and CRDC.

15.4. Existence of River in Community and Right to Use the River

The Club makes no promises, covenants, warranties or guarantees relative to the following matters, and shall have no liability with respect to: (i) the purity or any other characteristic of the water in any river or other body of water on or near Colleton River Plantation; (ii) the maintenance of any particular water level at any time or season in any river, stream or other body of water on or near Colleton River Plantation; (iii) any right to use for any purpose or any right to access the water of any river, stream, or other body of water on or near Colleton River Plantation; (iv) any right to construct piers, docks, boathouses, or any other improvements on any river, stream, or other body of water on or near Colleton River Plantation, except in accordance with the restrictions, easements, conditions, reservations, rules, regulations, and laws affecting any such river or body of water and Colleton River Plantation. The Club and every Owner further acknowledge that the right to use or access the water of any river, stream, or other body of water on or near Colleton River Plantation and the right to construct piers, docks, boathouses, or other improvements of any sort on Colleton River Plantation is regulated and governed by the rules, regulations, laws, and ordinances of all applicable authorities.

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Chapter 16
Rights of Lenders

In order to enhance each Owner's ability to obtain financing for the purchase of his or her Lot, this chapter sets forth various provisions for the benefit of lenders who make mortgage loans and for the benefit of those agencies which guarantee and insure mortgage loans made by institutional lenders.

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Lots in Colleton River Plantation. The provisions of this chapter apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

16.1. Notices of Action

An institutional holder, insurer, or guarantor of a first Mortgage which provides a written request to the Club (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Lot to which its Mortgage relates, thereby becoming an "**Eligible Holder**"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of Colleton River Plantation or which affects any Lot on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder; and

(b) Any delinquency in the payment of assessments or charges owed by a Lot subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Governing Documents relating to such Lot or the Owner or occupant which is not cured within 60 days.

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Club; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

16.2. No Priority

No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Lot in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Property.

16.3. Notice to Club

Upon request, each Owner shall be obligated to furnish to the Club the name and address of the holder of any Mortgage encumbering such Owner's Lot.

16.4. Failure of Mortgagee to Respond

Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Club does not receive a written response from the Mortgagee within 60 days of the date of the Club's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

16.5. Construction of Chapter 16

Nothing contained in this chapter shall be construed to reduce the percentage vote that must otherwise be obtained under this Declaration, the By-Laws, or South Carolina law for any of the acts set out in this chapter.

PART FIVE: COMMUNITY DEVELOPMENT

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Chapter 17
Turnover and CRDC

This Chapter describes the process by which CRDC will "turnover" and convey the Common Property within the Phase II Property to the Club.

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17.1. CRDC

Pursuant to the terms of the Annexation Agreement, CRDC has certain rights with respect to Colleton River Plantation, the Club, and the Phase II Property. The provisions contained in this Declaration shall in no way amend or revoke any privileges accorded CRDC in the Annexation Agreement, and the Annexation Agreement shall continue to govern the entities and property subject to such agreement.

This Declaration does not seek to articulate those terms and conditions set forth in the Annexation Agreement which address the Phase II Property and CRDC, and all parties and Owners subject to this Declaration are hereby on notice that the terms and conditions set forth in the Annexation Agreement shall continue to be of full force and effect until terminated as set forth therein.

17.2. Turnover Schedule

Pursuant to the terms of the Annexation Agreement, CRDC will convey to the Club certain amenities and common areas. The date on which CRDC shall convey such property to the Club and the date on which the Club shall assume certain rights and obligations as set forth in the Annexation Agreement is known as the "**Turnover**." The timing of the Turnover shall be as set forth in the Annexation Agreement.

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Chapter 18
Expansion of the Community

The Club may expand the initial property submitted to the Declaration as set forth in this chapter.

18.1. Expansion by the Club

From time to time, any property which is contiguous to the Community or located nearby may be voluntarily submitted to this Declaration by the owner(s) of such property with the consent of the Club. Any such property may be submitted by recording a Supplement describing the additional property to be submitted. Any Supplement that the Club records must be approved by a vote of 2/3 of the Owners voting in person or by proxy at a duly called meeting of the Club at which a quorum was present. The Club's President and Secretary and the owner of the property being submitted shall sign the Supplement.

Notwithstanding the above, in no event shall there be more than 395 Lots contained in the Phase I Property, inclusive of eight golf cottages, and 310 Lots contained in the Phase II Property, inclusive of no more than 10 golf cottages.

18.2. Additional Covenants and Easements

Any Supplement that the Club records may impose additional covenants and easements on the property described in such Supplement, such as covenants obligating the Club to maintain and insure such property. Such provisions may be included in a Supplement submitting new property to this Declaration or may be set forth in a separate Supplement applicable to property previously submitted to this Declaration. Any Supplement may add to, create exceptions to, or otherwise modify the terms of this Declaration as it applies to the property described in the Supplement, in order to reflect the different character and intended use of such property.

18.3. Effect of Filing a Supplement

A Supplement shall be effective upon recording unless otherwise specified in the Supplement. On the effective date of the Supplement, any additional property made subject to this Declaration shall be assigned voting rights in the Club and assessment liability in accordance with the provisions of this Declaration

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Chapter 19
Additional Rights Reserved to the Club

This chapter reserves various rights to the Club, in addition to those specifically reserved elsewhere in the Governing Documents, in order to facilitate the development and sale of property in the Community, to enable the Club to respond to Owners' concerns, and to protect various property rights and other interests of the Club.

19.1. Marketing and Sales Activities

Notwithstanding anything in the Governing Documents to the contrary, the Club and its designees or assigns may construct, use, and maintain upon portions of the Common Property and other property it owns, such facilities and activities as may reasonably be required, convenient, or incidental to the construction of Dwellings or sale of Lots. If reasonably required, convenient, or incidental to construction or sales activities, the Club and its employees, agents, and designees may park vehicles in designated parking areas.

19.2. Right of Repurchase

The Club shall have the exclusive option to purchase any Lot offered for sale in the Community at the price and on the terms and conditions of any bona fide offer for such Lot. Evidence of any such bona fide offer shall be in writing and shall be submitted to the Club by the selling Owner for verification.

Each Owner shall notify the Club of its intent to sell his or her Lot with notice setting forth the certified terms and conditions of the sale, the full name and primary address of the prospective bona fide purchaser (as distinguished from agents and intermediaries). The Club shall have 30 days after receipt of such notice to exercise its option to purchase under this Section 19.2. If the Club does not execute a sales contract with Owner during the specified time period, the selling Owner may proceed with the conveyance of his or her Lot to the prospective bona fide purchaser. If any such sale is not consummated within six months after the date the offer is submitted to the Club, or if such sale is not made on the terms and price disclosed to the Club, the terms and limitations of this section shall again be imposed upon any sale by the Owner.

In the event the Club elects to purchase any such Lot, the transaction shall be consummated on the terms offered; provided, the Club shall have a minimum of 30 days after the delivery of notice to consummate the transaction.

19.3. Additional Covenants and Restrictions

The Club may record additional covenants or restrictions affecting any portion of the Community as set forth in Section 21.2; provided the Club shall obtain CRDC's written consent for any additional covenants and restrictions imposed on any Phase II Property. Any instrument recorded without the required consent shall be void and of no force and effect.

19.4. Exclusive Rights to Use Name of Development

No Person shall use the name "Colleton River Plantation," "Colleton River Plantation Club," or any derivative of such names or any logo or depiction associated with Colleton River Plantation in any printed or promotional material without the Club's prior written consent. However, Owners may use the name "Colleton River Plantation" or "Colleton River Plantation Club" in printed or promotional matter where such term is used solely to specify that particular property is located within Colleton River Plantation.

Additional Rights Reserved to CRDC

Each Owner, by acceptance of a deed to any property within the Community hereby acknowledges that "Colleton River Plantation," "Colleton River Plantation Club" and designs are service marks and trademarks of the Club. Each Owner agrees to refrain from misappropriating or infringing these service marks or trademarks.

19.5. Right to Notice of Design or Construction Claims

No Person shall retain an expert for the purpose of inspecting the design or construction of any structures or improvements within Colleton River Plantation in connection with or in anticipation of any potential or pending claim, demand, or litigation involving such design or construction unless the Club and any builder involved in the design or construction have been first notified in writing and given an opportunity to meet with the owner of the property to discuss the owner's concerns and conduct their own inspection.

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PART SIX: PROCEDURES FOR AND LIMITATIONS ON CERTAIN ACTIONS

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Chapter 20
Changes in the Common Property

Various influences and circumstances within and outside the Community may give rise to a need or desire to make changes in the ownership of or rights to use Common Property. This chapter explains the procedures for dealing with matters such as changing use rights in Common Property, partition of the Common Property, and condemnation.

20.1. Condemnation

If any part of the Common Property is taken by any authority having the power of condemnation or eminent domain, or conveyed by the Club in lieu of and under threat of condemnation with such approval as may be required under Section 20.3, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Club to be disbursed as follows:

(a) If the taking or conveyance involves a portion of the Common Property on which improvements have been constructed, the Club shall restore or replace such improvements on the remaining land included in the Common Property, to the extent available, unless within 60 days after such taking Owners representing at least two-thirds (2/3) of the voting members in the Club shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 9.4 regarding funds for restoring improvements shall apply; or

(b) If the taking or conveyance does not involve any improvements on the Common Property, if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be treated in the same manner as proceeds from the sale of Common Property under Section 20.3.

20.2. Partition

Partition is a legal action in which a party requests to have a portion of one interest in property split off so that the party can possess that portion or interest separately from other parties who have rights in the property.

Except as permitted in this Declaration, the Common Property shall remain undivided, and no Person shall bring any action to partition any portion of the Common Property without the written consent of all Owners and Mortgagees. This section shall not prohibit the Board from acquiring and disposing of tangible personal property or from acquiring and disposing of real property that may or may not be subject to this Declaration, with such approval as may be required under Section 20.3.

20.3. Transfer or Dedication of Common Property

The Club may dedicate portions of the Common Property to Beaufort County, the City of Bluffton, the State of South Carolina, or to any other local, state, or federal governmental or quasi-governmental entity, may subject Common Property to a security interest, or may transfer or convey Common Property upon the affirmative vote or written consent of Owners representing at least two-thirds (2/3) of the total votes cast.

The proceeds from the sale or mortgaging of Common Property shall be an asset of the Club to be used as the Board determines. No conveyance or encumbrance of Common Property may deprive any Lot of rights of access or support.

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Chapter 21
Termination and Amendment of Declaration

As the Community matures and grows, the rules by which it is governed must be flexible enough to adapt to changes in the development plan, as well as changes in the needs and desires of the Community that inevitably will occur. This chapter sets out procedures by which this Declaration may be amended to address such changes.

21.1. Term and Termination

There is an old concept of law known as the "Rule Against Perpetuities" that restricts how long covenants can affect the title to land. Many jurisdictions no longer observe such rule; however, where the rule applies, the term of the covenants cannot exceed 21 years after the death of a named person who is living at the time the covenants are recorded.

This Declaration shall be effective for a minimum of 40 years from the date it is recorded. After the initial 40-year period, this Declaration shall be extended automatically for successive 10-year periods unless at least 75% of the then Owners sign a document stating that the Declaration is terminated and that document is recorded within the year before any extension. In such case, this Declaration shall terminate on the date specified in the termination document.

If any provision of this Declaration would be unlawful, void, or voidable by reason of any rule restricting the period of time that covenants can affect title to property, that provision shall expire 21 years after the death of the last survivor of the now living descendants of President George W. Bush.

This section shall not permit termination of any easement created in this Declaration without the consent of the holder of such easement.

21.2. Amendment

(a) ***By the Club.*** In addition to specific amendment rights granted elsewhere in this Declaration, the Club may unilaterally amend this Declaration if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Lots; (iii) to enable any institutional or governmental lender, purchaser, insurer, or guarantor of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure, or guarantee mortgage loans on the Lots; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any amendment under this paragraph shall not adversely affect the title to any Lot unless the Owner shall consent in writing.

(b) ***By Owners.*** Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent of Owners representing two-thirds (2/3) of the total votes cast.

(c) ***Validity and Effective Date.*** No amendment may remove, revoke, or modify any right or privilege of CRDC or any Founder or Honorary Member without the written consent of CRDC or such Founder and Honorary Member, respectively (or the assignee of such right or privilege). In addition, the approval requirements set forth in Chapter 16 shall be met, if applicable.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the au-

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Book2559/Page2417

thority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

Any amendment shall become effective upon recording unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration.

(d) ***Exhibits.*** Exhibit "A" is incorporated by this reference, and this chapter shall govern amendment of this exhibit. All other exhibits are attached for informational purposes and may be amended as provided in those exhibits or in the provisions of this Declaration that refer to such exhibits.

NOTES

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THIS AMENDED AND RESTATED DECLARATION OF COVENANTS FOR COLLETON RIVER PLANTATION is made this 1st day of March, 2007, by Colleton River Plantation Club, Inc., a South Carolina non-profit corporation, by and through its President and Secretary, who hereby certify that the Amended and Restated Declaration of Covenants for Colleton River Plantation was approved by the required majority of Owners by written ballot without a meeting, following proper notice.

CLUB: **COLLETON RIVER PLANTATION CLUB, INC.**, a South Carolina non-profit corporation

By: Clinton A Clark
Name: CLINTON A. CLARK
Its: President

Attest:
Name: JAMES E. STORY
Its: Secretary

[CORPORATE SEAL]

IN THE PRESENCE OF:

James Rubin
Witness

Witness

STATE OF SOUTH CAROLINA)
) ACKNOWLEDGEMENT
COUNTY OF BEAUFORT)

Personally appeared before me James Rubin, who, being duly sworn, days that (s)he saw the seal of Colleton River Plantation Club, Inc. affixed to the foregoing instrument and saw that (s)he also saw Clinton Clark, President, and James Story, Secretary, of said Colleton River Plantation Club, Inc., sign and attest the same, and that (s)he with Judge Derrick witnessed the execution and delivery thereof as the act and deed of the said corporation.

Sworn to me this 1 day of March, 2007.

Diane M. Szekely
Notary Public for South Carolina
My commission expires: _____

[Seal]

561701\New Charter\Declaration-Colleton River-020707-jlb-final

DIANE M. SZEKELY, Notary Public
State of South Carolina
Beaufort County
My Commission Expires July 12, 2009

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EXHIBIT "A"

PHASE I PROPERTY

ALL that certain piece, parcel or tract of land situate, lying and being above mean high water, located in Bluffton Township, Beaufort County, State of South Carolina, containing approximately Six Hundred Thirty Five and Three-Tenths (635.3) acres as is more fully shown on a plat prepared for Chicago Bridge and Iron Company by R. D. Trogdon, Jr., S.C.R.L.S. #2712, said plat being dated January 11, 1973 and revised June 9, 1977, which plat was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 20 at Page 169 as revised in Plat Book 26 at Page 39. For a more detailed description as to courses, metes, bounds and distances of said parcel, reference is made to said plats of record.

ALL that certain piece, parcel or tract of land situate, lying and being above mean high water, located in Bluffton Township, Beaufort County, State of South Carolina, containing approximately 0.409 acres, as is more fully shown on a plat prepared for Colleton River Plantation by Boyce L. Young, S.C.R.L.S. #11079, dated January 9, 1991, which plat was recorded on May 6, 1992 in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 43 at Page 102. For a more detailed description as to courses, metes, bounds and distances of said parcel, reference is made to said plat of record.

ALL that certain piece, parcel or tract of land situate, lying and being above mean high water, located in Bluffton Township, Beaufort County, State of South Carolina, containing approximately 3.15 acres and shown as Parcel A, Parcel B and Parcel C on a Plat entitled "A Plat of Parcel A, Parcel B, and Parcel C, A Portion of Bluffton Township Parcel 1A" dated March 8, 1993, prepared by Boyce L. Young, S.C.R.L.S. #11079, which Plat was recorded in the Office of the Register of Deeds for Beaufort County, South Carolina on March 17, 1993 in Plat Book 45 at Page 192. For a more detailed description as to courses, metes, bounds and distances of said parcel, reference is made to said plat of record.

ALL that certain piece, parcel or tract of land situate, lying and being in Bluffton Township, Beaufort County, State of South Carolina, containing approximately 55.432 acres, more or less, being shown and depicted as "BLOCK M" on a plat entitled "Boundary Plat of Block M, A Section of Colleton River Plantation," said plat being prepared by Surveying Consultants, Hilton Head Island, South Carolina, Terry G. Hatchell, S.C.R.L.S. #11059, said plat being dated November 13, 1995, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 54 at Page 122. For a more detailed description as to courses, metes, bounds and distances of said parcel, reference is made to said plat of record.

ALL that certain piece, parcel or tract of land situate, lying and being in Bluffton Township, Beaufort County, State of South Carolina, containing approximately 10.989 acres, being shown and depicted on a plat entitled "A Plat of Parcel A, Parcel B, and Parcel C, A Section of Victoria Bluff, Beaufort County, South Carolina" said plat being dated March 17, 1993 and revised September 22, 1993, prepared by Thomas & Hutton Engineering Co., Boyce L. Young, S.C.R.L.S. #11079, said plat having been recorded on September 28, 1993 in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 47 at Page 105.

PHASE II PROPERTY

ALL that certain piece, parcel or tract of land situate, lying and being in Bluffton Township, Beaufort County, State of South Carolina, containing 502.727 acres, more or less, being known as Foot Point and being more particularly shown and described as Area "A", Area "B", Area "C", Area "D", Area "E", and Area "F", on that plat entitled "A Boundary Plat of 502.727 Ac. Tract Being a Portion of the Cram Tract," prepared by Thomas & Hutton Engineering Co., Inc., dated April 30, 1997, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 63 at Page 86. For a more detailed description as to courses, metes, bounds and distances of said parcel, reference is made to said plat of record.

ALL that certain piece, parcel or tract of land situate, lying and being in Bluffton Township, Beaufort County, State of South Carolina, shown and designated as 3.00 acres on a plat entitled "A Plat of 3.00 Ac., a Portion of the Cram Tract, Beaufort County, South Carolina" prepared by Thomas and Hutton Engineering Co., dated October 1, 1998, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 69 at Page 72. For a more detailed description as to courses, metes, bounds and distances of said parcel, reference is made to said plat of record.

ALL that certain piece, parcel or tract of land situate, lying and being in Bluffton Township, Beaufort County, State of South Carolina, shown and designated as 2.02 acres and 75' buffer, 0.86 acres on a plat entitled "A Plat of 4.37 Ac., A Portion of the Cram Tract / Colleton River Plantation, Beaufort County, South Carolina," prepared by Thomas & Hutton Engineering Co., dated October 1, 1998, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Plat Book 69 at Page 73. For a more detailed description as to courses, metes, bounds and distances of said parcel, reference is made to said plat of record.

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Upon recording, please return to:
Wayne S. Hyatt
Hyatt & Stubblefield, P.C.
Peachtree Center South Tower
225 Peachtree Street, N.E., Suite 1 00
Atlanta, Georgia 30303

EXHIBIT "B"

Please cross-reference to:
Book 02324, Page 227

BEAUFORT COUNTY SC- ROD
BK 02487 PGS 1036-1056
DATE: 12/08/2006 09:37:32 AM
INST # 2006097756 RCPT# 459335

ABOVE SPACE FOR RECORDER'S USE

STATE OF SOUTH CAROLINA

COUNTY OF BEAUFORT

THIRD AMENDED AND RESTATED BY-LAWS OF COLLETON RIVER PLANTATION CLUB, INC.

This Third Amended and Restated By-Laws of Colleton River Plantation Club, Inc. is made on the date set forth below by Colleton River Plantation Club, Inc., a South Carolina non-profit corporation (the "**Club**").

WITNESSETH:

WHEREAS, the By-Laws of Colleton River Plantation Club, Inc. (as amended, the "**By-Laws**") were recorded in the Office of the Register of Deeds for Beaufort County, South Carolina as Exhibit "B" to the Declaration of Covenants, and Restrictions for Colleton River Plantation and Provisions for Colleton River Plantation Club, Inc. (as amended, the "**Declaration**") in Book 579 at Page 1850, *et seq.*; and

WHEREAS, the By-Laws have been amended several times, and most recently were amended by that certain Second Amended and Restated By-Laws of Colleton River Plantation Club, Inc. recorded on February 22, 2006 in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 02324 at Pages 227 to 238; and

WHEREAS, the Club desires to amend and restate the By-Laws in their entirety; and

WHEREAS, pursuant to Article XIII, Section 1 of the By-Laws, the By-Laws may be amended at a regular or special meeting of the Club at which a quorum is present by a vote of a majority of the Owners (as such term is defined in the Declaration) voting in person or by proxy; and

WHEREAS, a majority of the Owners voted to approve the attached Third Amended and Restated By-Laws of Colleton River Plantation, Inc. at a meeting of the Club on September 30, 2006;

NOW THEREFORE, the By-Laws are hereby amended, restated, replaced, and superseded in their entirety by the following Third Amended and Restated By-Laws of Colleton River Plantation Club, Inc.

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THIS THIRD AMENDED AND RESTATED BY-LAWS OF COLLETON RIVER PLANTATION CLUB, INC. is made this 6th day of December, 2006, by Colleton River Plantation Club, Inc., by and through its President and Secretary, who hereby certify that the Third Amended and Restated By-Laws were approved by the required majority of Owners voting at a meeting of the membership held on September 30, 2006 following proper notice.

CLUB: **COLLETON RIVER PLANTATION CLUB, INC.**, a South Carolina non-profit corporation

By: _____
Name: C Douglas Miller
Its: President

Attest: _____
Name: James E. Story
Its: Secretary

IN THE PRESENCE OF:

Sharon Boulware
Witness

Rosemarie Hodson
Witness

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ACKNOWLEDGEMENT

Personally appeared before me Sharon Boulware, who, being duly sworn, says that (s)he saw C. Douglas Miller, President, and James E. Story, Secretary, of said Colleton River Plantation Club, Inc., sign and attest the same, and that (s)he, together with Rosemarie Hodson witnessed the execution and delivery thereof as the act and deed of the said corporation.

Sworn to me this 12th day of December, 2006

Rosemarie Hodson
Notary Public for South Carolina
My commission expires: Oct. 22, 2011

[Seal]

561701/New Charter/Bylaws-A&R Cover-113006-jlb

THIRD AMENDED AND RESTATED

BY-LAWS

OF

COLLETON RIVER PLANTATION CLUB, INC.

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THIRD AMENDED AND RESTATED BY-LAWS OF COLLETON RIVER PLANTATION CLUB, INC.

Article 1
Name, Principal Office, and Definitions

1.1. Name.

The name of the corporation is Colleton River Plantation Club, Inc. (the "**Club**").

1.2. Principal Office.

The Club's principal office shall be located in Beaufort County, South Carolina. The Club may have such other offices, either within or outside of South Carolina, as the Board of Directors may determine or as the Club's affairs may require.

1.3. Definitions.

The words used in these By-Laws shall be given their normal, commonly understood definitions. Capitalized terms shall have the meaning ascribed to them in the Amended and Restated Declaration for Colleton River Plantation, recorded in the public records of Beaufort County, South Carolina, as it may be amended (the "Declaration").

Article 2
Membership: Meetings, Quorum, Voting, Proxies

2.1. Membership.

Membership provisions are more fully set forth in the Declaration. Provisions of the Declaration pertaining to membership are incorporated by this reference.

2.2. Place of Meetings.

The Club shall hold meetings at the Club's principal office or at such other suitable place the Board may designate.

2.3. Club Meetings.

(a) ***Annual Meetings.*** The Board shall schedule regular annual meetings of the Owners to occur within the last quarter of each calendar year, on such date and at such time and place as the Board shall determine. Annual meetings may be conducted electronically (*i.e., via* the Internet, intranet, or teleconference) if, and to the extent, permitted by law.

(b) *Special Meetings*. The President may call special meetings. In addition, the President or the Secretary shall call a special meeting if so directed by Board resolution or upon a written petition of Owners representing at least 25% of the total votes in the Club describing the purpose or purposes for which the special meeting is to be held.

2.4. Notice of Meetings.

The President, the Secretary, or the officers or other persons calling a meeting of the Club shall deliver or cause to be delivered to each Owner entitled to vote at such meeting a written notice stating the place, day, and hour of the meeting. In the case of a special meeting or when otherwise required by statute, the Declaration, or these By-Laws, the purpose or purposes for which the meeting is called shall also be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice. In addition, the Club shall give notice of a matter an Owner intends to raise at any annual, regular, or special meeting if: (i) requested to do so in writing by the Owner, and (ii) the request is received by the President or Secretary at least 10 days before the meeting notices are sent to the Owners.

Such notice shall be delivered by such means as permitted under Section 9.5, at least 30 but not more than 60 days before the date of such meeting.

2.5. Waiver of Notice.

Waiver of notice of a Club meeting shall be deemed the equivalent of proper notice. Any Owner may waive, in writing, notice of any Club meeting, either before or after such meeting. Attendance at a meeting by an Owner or the Owner's appointed proxy shall be deemed a waiver by such Owner of notice of the time, date, and place thereof, unless the Owner or proxy specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed a waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.6. Adjournment of Meetings.

If any Club meeting cannot be held because a quorum is not present, Owners representing a majority of the votes present at such meeting may adjourn the meeting to a time at least 10 but not more than 30 days from the scheduled date of the original meeting. At the reconvened meeting, if a quorum is present, any business may be transacted that might have been transacted at the meeting originally called. If those in attendance at the original meeting do not fix a time and place for reconvening the meeting, or if for any reason a new date is fixed for reconvening the meeting after adjournment, the Board shall provide notice to the Owners of the time and place for reconvening the meeting in the manner prescribed for regular meetings.

Owners present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the departure of enough Owners or their proxies to leave less than a quorum, provided at least a majority of the votes required to constitute a quorum must approve any action taken.

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2.7. Proxies.

Owners may vote in person or by proxy, subject to the limitations of South Carolina law and subject to any specific provision to the contrary in the Declaration or these By-Laws.

Every proxy shall be in writing, shall identify the Lot for which it is given, shall be signed by the Owner or the Owner's duly authorized attorney-in-fact, and shall be dated and filed with the Club's Secretary prior to the meeting for which it is to be effective. Unless the proxy specifically provided otherwise, a proxy shall be presumed to cover all votes which the Owner giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid.

A proxy is effective only for the specific meeting for which it was originally given, as such meeting lawfully may be adjourned and reconvened, and automatically expires 90 days after the date of the meeting for which it was originally given. Every proxy is revocable at any time at the pleasure of the Owner who executes the proxy.

2.8. Quorum.

Except as these By-Laws or the Declaration otherwise provide, the presence of Owners, in person or by proxy, representing 33% of the total votes in the Club shall constitute a quorum at all Club meetings, and the vote of Owners representing a majority of the total eligible votes cast at such meetings shall constitute the action of the Owners. If the Owners cannot hold a meeting because a quorum is not present, the meeting shall be adjourned to a time not less than 10 nor more than 30 days from the date of the original meeting. At the reconvened meeting, the presence of 25% of the total votes in the Club shall constitute a quorum and the Owners at such meeting may transact, without further notice, any business they might have transacted at the original meeting.

2.9. Conduct of Meetings.

The President or a Board-approved designee shall preside over all Club meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions adopted and all other transactions occurring at such meetings are kept with the Club's books.

2.10. Action Without a Meeting.

Any action that may be taken by the Owners at any annual, regular, or special meeting may be taken without a meeting if the Club delivers a written ballot to every Owner entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall: (i) indicate the number of responses needed to meet the quorum requirements; (ii) state the percentage of approvals necessary to approve each matter other than election of directors; and specify the time by which a ballot must be received by the Club in order to be counted. Approval by written ballot pursuant to this subsection is valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present if a meeting authorizing the action were held and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. Once delivered to the Club, a written ballot may not be revoked.

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Article 3
Board of Directors: Selection, Meetings, Powers

A. Composition and Selection.

3.1. Governing Body; Qualifications.

The Board shall govern the Club's affairs. Each director shall have one vote. Directors shall be Owners or spouses of Owners, and members in good standing throughout their term.

3.2. Number of Directors.

The Board shall consist of seven to nine directors, as determined in the discretion of the Board. In the event the Board proposes, and the members approve, under Section 3.4(b) an additional one year term for a sitting President, the number of directors shall be increased by one for the year of the special term only.

3.3. Selection of Directors; Term of Office.

At each annual meeting, the Owners shall elect directors for a term of three years. No director shall serve more than two consecutive full terms. In the event a director is selected to fill a vacancy under Section 3.5, such director shall not serve more than seven consecutive years. Any such director shall be removed after serving seven years, and a successor shall be selected in accordance with Section 3.5.

Notwithstanding the foregoing, at any election which would implement a Board resolution to increase or decrease the size of the Board, the Board may designate one or more positions to be filled at such election to be elected for terms of less than three years when necessary to maintain the ratio of newly elected directors to directors then in office.

3.4. Nomination and Election Procedures.

(a) *Nomination of Candidates*. Within 90 days after each annual meeting, the Board of Directors shall appoint and announce a Nominating Committee consisting of a chairman, who shall be the immediate past President, and four or more eligible Owners. In case the immediate past President is unavailable, an outgoing Board member who is willing and available shall chair the Nominating Committee. The members of the Nominating Committee shall generally serve a term of two years, with terms staggered to provide approximately the same number of new members each year.

In preparation for each election, the Nominating Committee shall meet and make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled by the Owners at such election. In making its nominations, the Nominating Committee shall use reasonable efforts to nominate candidates representing the diversity that exists within the pool of potential candidates having significant experience in Club affairs and governance, and familiarity with a large cross-section of possible candidates. The Nominating Committee shall submit its nominations for election to the Board no later than 60 days prior to the annual meeting and the Board shall advise the membership of those individuals nominated within 50 days prior to the annual meeting. Nominations may also be made by written petition signed by not less than 25 members in good standing. Such

nominations shall be submitted to the Board no later than 35 days prior to the annual meeting to enable the Board to consider all nominations and advise the membership of the nominations on one ballot. The Board shall send an official ballot to the membership within five days after the deadline for submission of petitions as set forth herein. All candidates shall have a reasonable opportunity to communicate their qualifications to the Owners and to solicit votes.

(b) *Additional One-Year Term Authorization*. In the event that the Board of Directors and the sitting President determine that such President should serve a second year as President, but such President's three-year term on the Board will expire before a second year as President may be served, there is hereby authorized a special one-year term as director to run concurrently with the second year as President. The Board may nominate the President for election by the members to this specially authorized one-year term. The special one-year term may be held only by a sitting President.

(c) *Election Procedures*. Each Owner, as provided in the Declaration, may cast all votes assigned to such Owner's Lots for each position to be filled. Elections to the Board shall be by written secret ballot. In the event of a tie vote, the Board shall call for a runoff election among the candidates receiving the same number of votes. Such election shall be held by mail, with ballots to be sent by first class mail to each Owner entitled to vote within 10 days after the meeting at which the original election was held. Cumulative voting is not permitted.

3.5. Removal of Directors and Vacancies.

Any director may be removed, with or without cause, at a meeting of the Owners called for the purpose of removing the director, and the meeting notice must state that the purpose or one of the purposes of the meeting is removal of the director. The director may be removed at such meeting by a majority vote of the members.

At any meeting at which a quorum is present, a majority of the directors may remove any director who has three consecutive unexcused absences from Board meetings, is more than 30 days delinquent in the payment of any assessment or other charge due the Club, or whose membership rights have been suspended.

In the event of the death, disability, or resignation of a director or removal of a director by the Board, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Owners entitled to fill such directorship shall elect a successor for the remainder of the term.

B. Meetings.

3.6. Regular Meetings.

The Board shall hold regular meetings at such time and place as a majority of the directors shall determine, but the Board shall meet at least four times during each fiscal year with at least one meeting per quarter.

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3.7. Special Meetings.

Special Board meetings shall be held when called by the President or Vice President or by any two directors.

3.8. Notice; Waiver of Notice.

(a) Notices of Board meetings shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. The Board shall notify each director of meetings by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; or (iv) facsimile, electronic mail, or other electronic communication device, with confirmation of transmission. All such notices shall be given at or sent to the director's telephone number, fax number, electronic mail address, or sent to the director's address as shown on the Club's records. The Board shall deposit notices sent by first class mail into a United States mailbox at least five business days before the day of the meeting. The Board shall give notices by personal delivery, telephone, or electronic communication at least 72 hours before the time set for the meeting.

(b) The Board shall notify the Owners of each Board meeting by either: (i) posting notice of the meeting in a conspicuous place in Colleton River Plantation at least 48 hours in advance of the meeting; (ii) publication of a schedule of the Board meetings in a newspaper, newsletter, on a community intranet or website, or by similar means at least seven days prior to the meeting; or (iii) mailing notice of the meeting to each Owner.

(c) Transactions of any Board meeting, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (i) a quorum is present, and (ii) either before or after the meeting each director not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.9. Telephonic Participation in Meetings.

Members of the Board or any committee the Board designates may participate in a Board or committee meeting by conference telephone or similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence at such meeting.

3.10. Quorum of Board.

At all Board meetings, the presence of two-thirds (2/3) of the directors shall constitute a quorum for the transaction of business, and the votes of a majority of the total number of directors shall constitute the Board's decision, unless South Carolina law, these By-Laws, or the Declaration specifically provide otherwise. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the departure of directors, if at least a majority of the total number of directors approves any action taken. If the Board cannot hold a meeting because a quorum is not present, a majority of the directors present may adjourn the meeting to a time not less than five nor more than 30 days from the date of the origi-

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nal meeting. At the reconvened meeting, if a quorum is present the Board may transact, without further notice, any business it might have transacted at the original meeting.

3.11. Conduct of Meetings.

The President or any designee the Board approves by resolution shall preside over all Board meetings. The Secretary shall ensure that minutes of the meetings are kept and that all resolutions and all transactions occurring at such meetings are included in the Club's records.

3.12. Action Without a Formal Meeting.

Any action to be taken or which may be taken at a Board meeting may be taken without a meeting if all directors sign a written consent, setting forth the action so taken in lieu of a meeting. Such consent shall have the same force and effect as a unanimous vote at a Board meeting.

C. Powers and Duties

3.13. Powers.

The Board shall have the power to administer the Club's affairs, perform the Club's responsibilities, and exercise the Club's rights as set forth in the Governing Documents and as provided by law. The Board may do or cause to be done on the Club's behalf all acts and things except those which the Governing Documents or South Carolina law require to be done and exercised exclusively by the membership generally.

3.14. Duties.

The Board's duties shall include, without limitation:

(a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Annual Assessment;

(b) levying and collecting assessments from the Owners;

(c) providing for the operation, care, upkeep, and maintenance of the Common Property in accordance with the Declaration or these By-Laws;

(d) designating and hiring a General Manager to carry out the Club's rights;

(e) opening bank accounts on the Club's behalf and designating the signatories required;

(f) depositing all funds received on the Club's behalf in a bank depository which it shall approve and using such funds to operate the Club; however, in the Board's business judgment any reserve funds may be deposited in depositories other than banks;

(g) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Property in accordance with the Governing Documents;

(h) enforcing by legal means the provisions of the Governing Documents and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Club; however, the Club's obligation in this regard shall be conditioned in the manner provided in the Declaration;

(i) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(j) paying the cost of all services rendered to the Club;

(k) keeping a detailed accounting of the Club's receipts and expenditures;

(l) making available to any prospective purchaser of a Lot, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Lot, books, records, and financial statements of the Club as provided in Article 9, and current copies of the Governing Documents; and

(m) indemnifying a director, officer or committee member, or former director, officer or committee member of the Club to the extent such indemnity is required by South Carolina law, the Articles, or these By-Laws.

3.15. Conflicts of Interest.

Unless otherwise approved by a majority of the other directors, no Director may transact business with the Club or any Club contractor during his or her term as director or within two years after the term expires, except they may transact business with any supplier in the same manner and to the same extent as any other member in the ordinary course of business. A director shall promptly disclose in writing to the Board any actual or potential conflict of interest affecting the director relative to his or her performance as a director. A director's failure to make such disclosure shall be grounds for removal by a majority vote of the other Board members.

Article 4
Officers

4.1. Officers.

The Club's officers shall be a President, Vice President, Secretary, and Treasurer. The President, Vice President, and Treasurer shall be elected from among the Board members; other officers may, but need not, be Board members. The Board may appoint such other officers, including one or more Assistant Secretaries and Assistant Treasurers, as it shall deem desirable, such officers to have such authority and perform such duties as the Board prescribes. Any two or more offices may be held by the same person, except the offices of President, Secretary, and Treasurer. The General Manager may serve as the Club's Secretary.

4.2. Election and Term of Office.

The Board shall elect the Club's officers at the first Board meeting following each annual meeting of the Club, to serve until their successors are elected. Any President may serve only two consecutive one-year terms.

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4.3. Removal and Vacancies.

The Board may remove any officer whenever in its judgment the Club's best interests will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4. Powers and Duties.

The Club's officers shall have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as the Board may specifically confer or impose. The President shall be the Club's chief executive officer. The Treasurer shall have primary responsibility for preparing the Club's budgets as provided for in the Declaration, and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both.

4.5. Resignation.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at a later time specified therein. Unless the resignation specifies, acceptance of such resignation shall not be necessary to make it effective.

Article 5
Committees

The Board may appoint committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution. Except as otherwise provided by Board resolution or the Governing Documents, members of a committee may act by unanimous written consent in lieu of a meeting.

Article 6
Standards of Conduct; Liability and Indemnification

6.1. Standards for Directors and Officers.

The Board shall exercise its powers in a reasonable, fair, nondiscriminatory manner and shall adhere to the procedures established in the Governing Documents.

In performing their duties, directors and officers shall act as fiduciaries and shall be insulated from liability as provided for directors of corporations under South Carolina law and as otherwise provided by the Governing Documents. Directors and officers shall discharge their duties as directors or officers, and as members of any committee to which they are appointed, in a manner that the director or officer believes in good faith to be in the best interest of the corporation and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. A director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by others to the extent authorized under South Carolina law.

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6.2. Liability.

(a) A director or officer shall not be personally liable to the Club, any Owner, or any other Person for any action taken or not taken as a director or officer if he or she has acted in accordance with Section 6.1.

(b) Pursuant to the business judgment rule, a director also shall not be personally liable for any action taken or not taken as a director if the director:

(i) acts within the expressed or implied scope of the Governing Documents and his or her actions are not ultra vires;

(ii) affirmatively undertakes to make decisions which the director reasonably believes are necessary for the Club's continued and successful operation and, when decisions are made, makes them on an informed basis;

(iii) acts on a disinterested basis, promptly disclosing any real or potential conflict of interests (pecuniary or other), and avoiding participation in decisions and actions on matters as to which he has a conflict of interest (beyond that which all directors have by virtue of their ownership or occupancy of a Lot); and

(iv) acts in a non-fraudulent manner and without reckless indifference to the Club's affairs.

(c) The Club's officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on the Club's behalf (except to the extent that such officers or directors may be acting solely as Owners).

6.3. Indemnification.

Except as required under the laws of the State of South Carolina, the Board shall be indemnified pursuant to Section 33-31-850, et seq. of the South Carolina Nonprofit Corporation Act, as the same may be amended, if the director conducted himself in good faith and reasonably believed, in the case of conduct in his official capacity with the corporation, that his conduct was in the best interests of the Club. In all other cases, a director will be indemnified if his conduct was at least not opposed to the best interests of the Club. In the case of a criminal proceeding, the director will be indemnified if he had no reasonable cause to believe his conduct was unlawful. Directors shall not be liable to the Owners or the Club for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith.

Subject to the limitations of South Carolina law, the Club shall indemnify every officer and committee member against all damages and expenses, including counsel fees and expenses, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board) to which he or she may be a party by reason of being or having been an officer or committee member, except that the Club shall have no obligation to indemnify any individual against liability or expenses incurred in connection with a proceeding:

(a) brought by or in the right of the Club, although it may reimburse the individual for reasonable expenses incurred in connection with the proceeding if it is determined, by the court or in the manner provided above, that the individual met the relevant standard of conduct under South Carolina law; or

(b) to the extent that the individual is adjudged liable for conduct that constitutes:

(i) appropriation, in violation of his or her duties, of any business opportunity of the Club;

(ii) intentional misconduct or knowing violation of the law;

(iii) an unlawful distribution to members, directors or officers; or

(iv) receipt of an improper personal benefit.

This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Club shall maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

It is intended that members of the Board and any General Manager, or managing agent or management firm, shall have no personal liability with respect to any contract made by them on behalf of the Club. It is understood and permissible and shall not be deemed to be self-dealing for the Club to contract with corporations owned or controlled, or affiliated with members of the Board. The indemnification of members of the Board by the Club shall be limited to assessments and other charges received from the Owners.

6.4. Advancement of Expenses.

In accordance with the procedures and subject to the conditions and limitations set forth in South Carolina law, the Board may authorize the Club to advance funds to pay for or reimburse the reasonable expenses incurred by a present or former officer, director, or committee member in any proceeding to which he or she may be a party by reason of being or having been an officer, director, or committee member of the Club.

6.5. Board and Officer Training.

The Board may conduct or provide for seminars and continuing educational opportunities designed to educate and inform its officers and directors of their responsibilities as officers and directors. Such programs may include instruction on applicable South Carolina corporate and fiduciary law principles, other issues relating to administering community affairs, and upholding and enforcing the Governing Documents. The Board may retain industry professionals, which may include property managers, attorneys, and accountants, as appropriate or necessary for such purpose. The seminar may be live, video or audiotape, or in other format. The cost of any such seminar shall be a Common Expense.

The Board also may provide, or provide for, Owner and resident education designed to foster a better understanding of the Club's governance and operations, and leadership training classes designed to

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educate Owners the nomination, election, and voting processes and the duties and responsibilities of directors and officers.

Article 7
Management and Accounting

7.1. Compensation of Directors and Officers.

The Club shall not compensate directors and officers for acting as such. Nothing herein shall prohibit the Club from compensating a director or officer, or any entity with which a director or officer is affiliated, for services or supplies he or she furnishes to the Club in a capacity other than as a director or officer pursuant to a contract or agreement with the Club. However, such director must make known his or her interest to the Board prior to entering into such contract, and a majority of the Board, excluding any interested director, must approve such contract.

7.2. General Manager.

The Board may employ for the Club a professional General Manager or other management agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board may delegate such powers as are necessary to perform the manager's assigned duties but shall not delegate policy-making authority or ultimate responsibility for those duties set forth in Section 3.14.

The General Manager or managing agent shall promptly disclose to the Board any financial or other interest that it may have in any firm providing goods or services to the Club.

7.3. Accounts and Reports.

(a) The Board shall maintain appropriate accounting records in accordance with Section 33-31-1601 of the South Carolina Nonprofit Corporation Act.

(b) An annual report consisting of at least the following shall be made available for Owners' review within 180 days after the close of the fiscal year: (i) a balance sheet; (ii) an operating (income) statement; and (iii) a statement of cash flow for the fiscal year. Such annual report shall be prepared on an audited, reviewed, or compiled basis, as the Board determines.

7.4. Borrowing.

The Club shall have the power to borrow money for any legal purpose, subject to the restrictions on capital projects and borrowing as set forth in the Declaration.

7.5. Right to Contract.

The Club shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, cooperatives, and other owners or residents within and outside Colleton River Plantation.

7.6. Agreements, Contracts, Deeds, Leases, Checks, Etc.

All Club agreements, contracts, deeds, leases, checks, and other instruments shall be executed by at least two officers or by such other person or persons as the Board may designate by resolution.

Article 8
Enforcement Procedures

The Club shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Governing Documents. To the extent specifically required by the Declaration, the Board shall comply with the following procedures prior to imposition of sanctions:

8.1. Notice.

The Board or its delegate shall serve the alleged violator with written notice describing (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, and (c) the alleged violator shall have five days to cure such alleged violation. If the alleged violator does not cure such alleged violation within the five-day time period, or if the same violation occurs more than once in a twelve-month period, the Board or its delegate shall serve the alleged violator with another written notice describing (a) the nature of the alleged violation, (b) the proposed sanction to be imposed, and (c) the time and place of the hearing which shall be at least 10 days after receipt of the notice.

The alleged violator shall attend the hearing, regardless of whether the alleged violator is challenging the imposition of the proposed sanction. If the alleged violator cures the alleged violation and notifies the Board in writing before the scheduled date of the hearing, the Board may, but shall not be obligated to, waive the sanction. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person.

Prior to the effectiveness of sanctions imposed pursuant to this Article, proof of proper notice shall be placed in the minutes of the Board. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative requests and appears at the hearing.

8.2. Hearing.

Any hearing under this Article 8 shall be held in executive session of the Board. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing (i.e., the Board's decision) and the sanction, if any, to be imposed.

8.3. Election of Remedies.

All rights, remedies, and privileges granted to the Club and the Board, or any Owner, pursuant to any terms, provisions, covenants or conditions of the Declaration, Articles of Incorporation, or these By-Laws shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such

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other and additional rights, remedies or privileges as may be granted to such other party by the Declaration, Articles of Incorporation, or these By-Laws or at law or in equity.

8.4. Statement of Charges.

The Board shall, for a reasonable fee, promptly provide any purchaser of any property or institutional lender (or any Owner) so requesting the same in writing, with a written statement of all unpaid charges due from such Owner and any bona fide third party purchaser's liability therefore with respect to a continuing lien on the Lot shall be limited to the amount set forth in the statement. The personal obligation of such Owner shall in no way be affected by the amount stated in any written statement to such third party purchaser or institutional lender.

Article 9
Miscellaneous

9.1. Fiscal Year.

The Club's fiscal year shall end on June 30 of each year unless the Board establishes a different fiscal year by resolution.

9.2. Parliamentary Rules.

Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Club proceedings when not in conflict with South Carolina law or the Governing Documents.

9.3. Conflicts.

If there are conflicts among the provisions of South Carolina law, the Articles of Incorporation, the Declaration, and these By-Laws, the provisions of South Carolina law, the Declaration, the Articles of Incorporation, and the By-Laws (in that order) shall prevail.

9.4. Books and Records.

(a) ***Inspection by Owners and Mortgagees.*** The Board shall make available for inspection and copying, subject to the limitations set forth in S.C. Code Ann. Section 33-31-1602, by any holder, insurer, or guarantor of a first Mortgage on a Lot, any Owner, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Lot: the Governing Documents, the membership register, the minutes of meetings of the Club, the Board, and committees, and any other records as required by South Carolina law. The Board shall provide for such inspection to take place within five business days after receipt of a written request for access at the Club's office or at such other place within Colleton River Plantation as the Board shall designate.

(b) ***Rules for Inspection.*** The Board shall establish rules with respect to:

(i) the frequency and manner of inspection;

(ii) hours and days of the week when such an inspection may be made; and

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(iii) payment of the cost of reproducing documents requested.

(c) ***Inspection by Directors.*** Every director shall have the absolute right at any reasonable time to inspect all Club books, records, and documents and the physical properties owned or controlled by the Club. A director's right of inspection includes the right to make a copy of relevant documents at the Club's expense.

9.5. Notices.

(a) ***Form of Notice and Method of Delivery.*** Except as otherwise provided in the Declaration or these By-Laws or by South Carolina law, all notices, demands, bills, statements, or other communications under the Declaration or these By-Laws shall be in writing and may be delivered in person, by United States mail, by private carrier, or if the intended recipient has given its prior written authorization to use such method of delivery, by facsimile or electronic mail with written confirmation of transmission.

(b) ***Delivery Address.*** Notices shall be delivered or sent to the intended recipient as follows:

(i) if to an Owner, at the address, telephone facsimile number, or e-mail address which the Owner has designated with the Secretary or, if no such address has been designated, at the address of the Lot of such Owner; or

(ii) if to the Club, the Board, or a committee of either, at the address, facsimile number, or e-mail address of the principal office of the Club or its managing agent, or at such other address as the Club shall designate by notice in writing to the Owners pursuant to this Section.

(c) ***Effective Date.*** Notice sent in accordance with Sections 9.5 (a) and (b) shall be deemed to have been duly given and effective:

(i) if sent by United States first class mail, five days after its deposit with the U.S. Postal Service, correctly addressed, with first class or higher priority postage prepaid;

(ii) if sent by United States registered or certified mail, return receipt requested, correctly addressed, on the date shown on the return receipt signed by or on behalf of the addressee; or

(iii) if delivered personally or by private carrier, or sent by telephone facsimile or electronic mail, when received.

9.6. Amendment.

(a) ***By Owners.*** These By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Owners representing a majority of those voting at a regular or special meeting of Owners at which a quorum is present. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(b) ***Validity and Effective Date of Amendments.*** Amendments to these By-Laws shall become effective upon recordation unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation, or such amendment shall be pre-

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sumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

561701 / New Charter/Bylaws-Amended & Restated-110906-jlb

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3. SD 8/19 P T. Clerk

RECORDED
2013 Jun -07 09:42 AM
Sharon Q. Burris
BEAUFORT COUNTY AUDITOR

BEAUFORT COUNTY SC - ROD
BK 03242 PGS 2923-2924 -A
FILE NUM 2013029370
05/28/2013 04:28:27 PM
REC'D BY S WASHINGTON RCPT# 712477
RECORDING FEES 10.00

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

TITLE TO REAL ESTATE
COLLETON RIVER PLANTATION

Know all men by these presents, that JOEL S. LEE, in consideration of the sum of $1 and no other valuable consideration to it in hand paid at and before the sealing of these presents, by BLUFFTON PROPERTIES, LLC, Series 1 the receipt of which is hereby acknowledged have remised, released and forever quit-claimed, and by these presents do remise, release and forever quit-claim unto said BLUFFTON PROPERTIES, LLC, Series 1 and its assigns forever, the following described property:

All that certain piece, parcel or lot of land, lying and being in Beaufort County, South Carolina and being shown and described as Lot A02, Phase I, Colleton River Plantation, on a plat thereof entitled "A Plat of Colleton River Plantation, Phase 1, Beaufort County, South Carolina", said plat being prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, said plat being dated August 1, 1990, last revised November 18, 1991, Sheets 1 through 3, and recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina, in Plat Book 43 at Page 100. For a more detailed description as to the courses and distances, metes and bounds of the above mentioned lot, reference is had to said plat of record.

This conveyance is subject to all easements as shown on the plat of record and to that certain Colleton River Plantation Declaration of Covenants and Provisions for Membership in Colleton River Plantation Club, Inc., which Declaration is dated June 11, 1991, and recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina, in Deed Book 579 at Page 1796, and as may be amended from time to time.

This being the same property conveyed to Grantor by Deed of COLLETON RIVER COMPANY L.P. dated September 20, 1993 and recorded in the Office of the Register for BEAUFORT COUNTY in Book 2 at Page 996.

Tax Map Reference # 600-25-A-5

Together with all and singular the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anytime incident or appertaining.

ADD DMP Record 6/6/2013 04:30:05 PM
BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	SMap	Parcel	Block	Week
R600	025	00A	0005	0000	00

TO HAVE AND TO HOLD all singular the said premises before mentioned unto the said Bluffton Properties, LLC, Series 1 and its assigns forever so that neither I nor my heirs, nor any other person or persons claiming under me, shall at anytime hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part of the parcel thereof, forever; subject, however, to the rights, conditions and restrictions that constitute covenants running with the land, all as set forth herein.

WITNESS MY HAND and seal this 31 day of December 2012.

Signed, Sealed and Delivered
In the Presence of:

Jennifer Kramer

Katie Stawarz

Joel S. Lee, Grantor

PERSONALLY APPEARED BEFORE ME, Thomas B. Burke, Notary Public for the State of Wisconsin this day the above-named Grantor, JOEL S. LEE who acknowledged the due execution of the foregoing instrument.

WITNESS MY HAND AND OFFICIAL SEAL this 31 day of DECEMBER 2012.

Thomas B. Burke
My commission is permanent.

Prepared By and Return To:
Thomas B. Burke
788 N. Jefferson Street, Suite 800
Milwaukee, WI 53202
(414) 224-5060

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THOMAS B. BURKE
Attorney at Law
788 North Jefferson Street
Milwaukee, WI 53202
(414) 224-5060

Fax: (414) 224-8208
E-Mail: tburke2422@aol.com

May 29, 2013

Beaufort County Register of Deeds
P.O. Drawer 1197
Beaufort, SC 29901-1197

Dear Sirs:

The address of the grantee Belfair, Berkeley Hall and Colleton Dees is my address, listed above: 788 N. Jefferson Street, Milwaukee, Wisconsin 53202

Very truly yours,

THOMAS B. BURKE

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3/504 PB

34572

BEAUFORT COUNTY, SC
REVENUE STAMPS COLLECTED
STATE 336.70 COUNTY 142.45
Real Estate Transfer Fee Collected
$ 323.25

1816

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

TITLE TO REAL ESTATE
COLLETON RIVER PLANTATION

KNOW ALL MEN BY THESE PRESENTS, that COLLETON RIVER COMPANY, L.P., in the State aforesaid, in consideration of the sum of ONE HUNDRED TWENTY NINE THOUSAND FIVE HUNDRED AND 00/100 ($129,500.00) DOLLARS, to it in hand paid at and before the sealing of these presents, by

JOEL S. LEE
5646 N. Shore Drive
Milwaukee, WI 53217

in the State aforesaid, (the receipt whereof is hereby acknowledged) has granted, bargained, sold and released, and by these Presents does grant, bargain, sell and release, unto the said **JOEL S. LEE**, his Heirs and Assigns forever, the following described property:

ALL that certain piece, parcel or lot of land, lying and being in Beaufort County, South Carolina and being shown and described as **Lot A02, Phase I, Colleton River Plantation,** on a plat thereof entitled "A Plat of Colleton River Plantation, Phase 1, Beaufort County, South Carolina", said plat being prepared by Thomas & Hutton Engineering Co., Savannah, Georgia, Boyce L. Young, S.C.R.L.S. No. 11079, said plat being dated August 1, 1990, last revised November 18, 1991, Sheets 1 through 3, and recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina, in Plat Book 43 at Page 100. For a more detailed description as to the courses and distances, metes and bounds of the above mentioned lot, reference is had to said plat of record.

This conveyance is subject to all easements as shown on the plat of record and to that certain Colleton River Plantation Declaration of Covenants and Provisions for Membership in Colleton River Plantation Club, Inc., which Declaration is dated June 11, 1991, and recorded in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina, in Deed Book 579 at Page 1796, and as may be amended from time to time.

STATE OF SOUTH CAROLINA
SOUTH CAROLINA TAX COMMISSION
DOCUMENTARY STAMP TAX
336.70

BEAUFORT COUNTY TAX MAP REFERENCE

Dist.	Map	S-b-map	Parcel	Block
600	25	A	5	

BETHEA, JORDAN & GRIFFIN, P.A.
ATTORNEYS AND COUNSELORS AT LAW

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The property intended to be conveyed herein is a portion of the same property conveyed to Oakmarsh Partners Limited Partnership, the Grantor herein, now known as Colleton River Company, L.P., by Deed of Chicago Bridge & Iron Company dated December 5, 1989, and recorded on December 12, 1989, in the Office of the Register of Mesne Conveyances for Beaufort County, South Carolina, in Deed Book 542 at Page 589.

This Deed was prepared in the Law Offices of Bethea, Jordan & Griffin, P.A., Post Office Drawer 3, Hilton Head Island, South Carolina 29938-0003.

TOGETHER with all and singular the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular the said premises before mentioned unto the said **JOEL S. LEE**, his Heirs and Assigns forever; subject, however, to the rights, conditions and restrictions that constitute covenants running with the land, all as set forth herein.

And the said Colleton River Company, L.P. does hereby bind itself and its Successors and Assigns forever, to warrant and defend, all and singular the said premises unto the said **JOEL S. LEE**, his Heirs and Assigns, against itself and its Successors and Assigns lawfully claiming or to claim the same, by, through or under it.

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IN WITNESS WHEREOF, Colleton River Company, L.P. has caused these presents to be executed in its name by K & M Holdings, Inc., its Authorized General Partner, by Thad D. King, President, and by Golf Development Corporation, its Authorized General Partner, by Robert B. Whitley, President, this 20th day of September in the year of our Lord One Thousand Nine Hundred and Ninety-Three, and in the Two Hundred and Eighteenth year of Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

J. Ellen Lewis

Frank W. Renaker

J. Ellen Lewis

Frank W. Renaker

Colleton River Company, L.P.

By: K & M Holdings, Inc.,
its General Partner

By: Thad D. King
Thad D. King, Pres.

By: Golf Development Corporation
its General Partner

By: R B Whitley
Robert B. Whitley, Pres.

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

PERSONALLY appeared before me J. Ellen Lewis who, on oath, said that s/he saw the within named Colleton River Company, L.P. by K & M Holdings, Inc., its authorized General Partner, by Thad D. King, its President, and by Golf Development Corporation, its Authorized General Partner, by Robert B. Whitley, its President, sign, seal and, as its act and deed, deliver the within Deed, and that s/he with Frank W. Renaker witnessed the execution thereof.

J. Ellen Lewis

SWORN to before me this 20th
day of September, 1993.

Frank W. Renaker
Notary Public for SC
My commission expires: 07-16-2001

BETHEA, JORDAN
& GRIFFIN, P.A.
ATTORNEYS AND
COUNSELORS AT LAW

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BJ26

12974

FILED
THERESA A. HORRIS
R.M.C.
BEAUFORT COUNTY, S.C.

98 OCT -7 AM 10:05

BK 656 PG 1816

FOLDER #

RECORDED THIS 3rd DAY
OF October 1998
IN BOOK 2 PAGE 96
FEES $ 11.00

Mary A. Horris RMC
R.M.C., BEAUFORT COUNTY, S.C.

1819

ELECTRONICALLY FILED - 2018 Dec 04 4:55 PM - BEAUFORT - COMMON PLEAS - CASE#2015CP0702722

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STATE OF SOUTH CAROLINA	)	**IN THE COURT OF COMMON PLEAS**
	)	
COUNTY OF BEAUFORT	)	**C/A NO.: 2012-CP-07-03525**
	)	
COLLETON RIVER PLANTATION CLUB, INC.	)	
	)	**ORDER OF JUDGMENT**
Plaintiff,	)	
	)	
vs.	)	
	)	
JOEL S. LEE,	)	
	)	
Defendant.	)	

2013 AUG -8 AM 9:39
JEAN RAVENEL
BEAUFORT COUNTY, S.C.
CLERK OF COURT

Pursuant to an Order of Default/Order of Reference, the above-entitled matter was referred to the undersigned to make appropriate findings of fact and conclusions of law with authority to enter a final judgment against the Defendant, Joel S. Lee, in the captioned matter.

At the hearing on August 8, 2013, the testimony was taken, which is reported herewith, and from the testimony and evidence, I find and conclude as follows:

FINDINGS OF FACT

1. The Plaintiff, Colleton River Plantation Club, Inc. ("Colleton"), filed its Complaint in this matter on October 9, 2012.

2. Service was made upon the Defendant as is shown by the Affidavit of Service filed herein.

3. Defendant is in default as is shown by the Affidavit of Service and Default and Order of Default/Order of Reference filed herein.

4. Defendant was notified of the time, date, and place of hearing in this matter, by sending a Notice of Hearing to him at his last known address by regular mail.

5. Colleton is a South Carolina Non-Profit Corporation whose members are the

1 of 4

owners of property within Colleton River Plantation, Bluffton, Beaufort County, South Carolina, which was created pursuant to the laws of the State of South Carolina.

6. On or after July 18, 2001, Colleton possessed those rights, powers and duties as set forth in the Third Amended and Restated Colleton River Plantation Declaration of Covenants and Provisions for Membership in Colleton River Plantation Club, Inc., dated July 18, 2001, and recorded on May 24, 2002, and any amendments thereto, as recorded in the Office of the Register of Deeds for Beaufort County.

7. On or after April 26, 2007 Colleton possessed those rights, powers and duties set forth in the Amendment to the Third Amended and Restated Colleton River Plantation Declaration of Covenants and Provisions for Membership in Colleton River Plantation Club, Inc. which were recorded on April 26, 2007 in the Office of the Register of Deeds for Beaufort County in Deed book 2559 at page 2357.

8. Defendant, at all material times hereto, was the owner of Lot A02, Colleton River Plantation, Bluffton, South Carolina, as evidenced by that deed from Colleton River Company, L.P., dated September 20, 1993, and recorded on October 7, 1993 in the Office of the Register of Deeds for Beaufort County, South Carolina, in Deed Book 656 at Page 1816.

9. Pursuant to the Covenants, as amended, Colleton imposes assessments and other authorized charges for the purposes specified in the Covenants, and any amendments thereto.

10. Pursuant to the Covenants, as amended, the assessments and past dues charges, plus interest, attorney's fees and costs, constitute a lien against Lot A02.

11. Pursuant to the Covenants, as amended, it is provided that Defendant is obligated to pay any and all of the assessments and other authorized charges.

12. In and by the terms of the Covenants, as amended, it is provided that Defendant

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shall pay costs and reasonable attorney's fees incurred by Colleton in the collection of past-due assessments and other authorized charges.

13. Despite demand, Defendant has failed and/or refused to pay the amounts of the assessments and other authorized charges which have come due, plus accrued interest.

14. The sum of $1,419.00 is a reasonable fee to allow as attorney's fees for Colleton's attorney for services performed and anticipated to be performed until final adjudication of the within action under the terms of the Covenants, and any amendments thereto.

15. The nature, extent, difficulty of the legal services, and the time and labor devoted to the case are commensurate with the fee requested and awarded, in that Colleton's attorney was required to spend hours in preparation of correspondence, pleadings, affidavits and other documents on file with the Court, and was required to prepare for and attend a hearing. The time spent was necessary for the protection of Colleton's interests, and in order to make a clear and concise presentation of the issues to the Court.

16. Colleton's attorney was admitted to the South Carolina Bar in 2004, and since that time has been engaged in private practice. Colleton's attorney is with the law firm of BARRY L. JOHNSON, PA and spends a significant portion of his practice in civil litigation.

17. Colleton's attorney charges $ 220.00 per hour which is consistent with the hourly rate customarily charged in this area for similar services.

18. The result accomplished by Colleton's attorney was beneficial in that Colleton obtained a judgment against Defendant as prayed for in its Complaint.

19. The amount due and owing pursuant to the Covenants, as amended thereto, as of July 31, 2013, and interest and other costs and expenses of collection, including attorney's fees, through July 31, 2013, is as follows:

(A)	Principal/late fees as of July 31, 2013	$19,796.91
(B)	Attorney's Fees	$1,412.00
(C)	Costs/Expenses of collection (service, filing, etc.)	$ 294.96
TOTAL DEBT:		$21,503.87

CONCLUSIONS OF LAW

I therefore conclude as follows:

Colleton should have judgment against Defendant for the amounts owed, including interest, attorney's fees and costs.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. That the Plaintiff, Colleton River Plantation Club, Inc., is granted judgment against the Defendant in the amount of $19,796.91, plus attorney's fees of $1,412.00 and costs and expenses of $294.96. Post-judgment interest shall accrue on these amounts at the applicable statutory rate from the date of this Order of Judgment until paid in full.

2. This Court shall retain jurisdiction to award Colleton such additional attorney's fees and costs as are incurred in excess of those provided for herein.

Marvin H. Dukes, III
Master-in-Equity for Beaufort County

Beaufort, SC
8/8, 2013

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STATE OF SOUTH CAROLINA)	**IN THE COURT OF COMMON PLEAS**
)	**FOURTEENTH JUDICIAL CIRCUIT**
COUNTY OF BEAUFORT)	**C/A NO.: 2012-CP-07-03525**
)	
COLLETON RIVER PLANTATION CLUB, INC.,)	**JUDGMENT ROLL NO.:2012CP0703525**
Plaintiff/Judgment Creditor,)	
)	**SATISFACTION AND RELEASE OF JUDGMENT**
v.)	
)	
JOEL S. LEE,)	
Defendant/Judgment Debtor.)	

The Plaintiff/Judgment Creditor, Colleton River Plantation Club, Inc., for valuable consideration, the receipt of which is hereby acknowledged, does hereby forever satisfy and discharge the Defendant/Judgment Debtor, Joel S. Lee, his agents and attorneys, of and from the Judgment obtained in the captioned matter in the amount of $21,503.87, filed on August 8, 2013 (Judgment Roll No. 2012CP0703525).

JOHNSON DAVIS WARD, PA

By: Jason W. Ward, Attorney at Law
The Victoria Building, Suite 200
10 Pinckney Colony Road
Bluffton, SC 29909
(843) 815-7121- telephone
(843) 815-7122- facsimile
Attorneys for Plaintiff

Bluffton, South Carolina
September 22nd, 2014

2014 SEP 23 AM 8:46
JERRI ANN ROSENEAU
BEAUFORT COUNTY, S.C.
CLERK OF COURT

STATE OF SOUTH CAROLINA	**IN THE COURT OF COMMON PLEAS**
COUNTY OF BEAUFORT	**CIVIL ACTION NO: 2014-CP-07-02827**
COLLETON RIVER PLANTATION CLUB, INC. **Plaintiff,**	**ORDER OF JUDGMENT**
vs.	
BLUFFTON PROPERTIES, LLC, **Defendant.**	

2015 MAY 12 AM 9:21
KENNA ANN ROSENEAU
BEAUFORT COUNTY, S.C.
CLERK OF COURT

Pursuant to an Order of Default/Order of Reference, the above-entitled matter was referred to the undersigned to make appropriate findings of fact and conclusions of law with authority to enter a final judgment against the Defendant, Bluffton Properties, LLC, in the captioned matter.

At the hearing on May 12, 2015, the evidence was taken (including the Affidavit of Ken Devlin, dated May 11, 2015), which is reported herewith, and from the evidence, I find and conclude as follows:

FINDINGS OF FACT

1. The Plaintiff, Colleton River Plantation Club, Inc. ("Colleton"), filed its Complaint in this matter on November 7, 2014.

2. Service was made upon the Defendant as is shown by the Affidavit of Service filed herein.

3. Defendant is in default as is shown by the Affidavit of Service and Default and Order of Default/Order of Reference filed herein.

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4. Defendant was notified of the time, date, and place of hearing in this matter, by sending a Notice of Hearing to them at their last known address(es) by regular mail. No appearance was made at this hearing by or for the Defendant.

5. Colleton is a South Carolina Non-Profit Corporation whose members are the owners of property within Colleton River Plantation, Bluffton, Beaufort County, South Carolina, which was created pursuant to the laws of the State of South Carolina.

6. On or after July 18, 2001, Colleton possessed those rights, powers and duties as set forth in the Third Amended and Restated Colleton River Plantation Declaration of Covenants and Provisions for Membership in Colleton River Plantation Club, Inc., dated July 18, 2001, and recorded on May 24, 2002, and any amendments thereto, as recorded in the Office of the Register of Deeds for Beaufort County.

7. On or after April 26, 2007 Colleton possessed those rights, powers and duties set forth in the Amendment to the Third Amended and Restated Colleton River Plantation Declaration of Covenants and Provisions for Membership in Colleton River Plantation Club, Inc. which were recorded on April 26, 2007 in the Office of the Register of Deeds for Beaufort County in Deed book 2559 at page 2357.

8. Defendant, at all material times hereto, was the owner of Lot A02, Colleton River Plantation, Bluffton, South Carolina, as evidenced by a deed dated December 31, 2012 and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina in Book 3242 at Page 2923.

9. Pursuant to the Covenants, as amended, Colleton imposes assessments and other authorized charges for the purposes specified in the Covenants, and any amendments thereto.

10. Pursuant to the Covenants, as amended, the assessments and past dues charges, plus interest, attorney's fees and costs, constitute a lien against Lot A02.

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11. Pursuant to the Covenants, as amended, it is provided that Defendant is obligated to pay any and all of the assessments and other authorized charges.

12. In and by the terms of the Covenants, as amended, it is provided that Defendant shall pay costs and reasonable attorney's fees incurred by Colleton in the collection of past-due assessments and other authorized charges.

13. Despite demand, Defendant has failed and/or refused to pay the amounts of the assessments and other authorized charges which have come due, plus accrued interest.

14. The sum of $1,912.50 is a reasonable fee to allow as attorney's fees for Colleton's attorney for services performed to date. For services anticipated to be performed until final adjudication of the within action under the terms of the Covenants, and any amendments thereto, the sum of $650.00 is a reasonable fee. The total of fees is $2,562.50.

15. In prosecuting this action Colleton has incurred $438.34 in costs and expenses which were reasonable. Additional anticipated expenses are $27.03. Total of costs and expenses is $465.37.

16. The nature, extent, difficulty of the legal services, and the time and labor devoted to the case are commensurate with the fee requested and awarded, in that Colleton's attorney was required to spend hours in preparation of correspondence, pleadings, affidavits and other documents on file with the Court, and was required to prepare for and attend a hearing. The time spent was necessary for the protection of Colleton's interests, and in order to make a clear and concise presentation of the issues to the Court.

17. Colleton's attorney, Barry L. Johnson, was admitted to the South Carolina Bar in 1971, and since that time has been engaged in private practice. Colleton's attorney was a shareholder with the law firm of JOHNSON DAVIS WARD, PA (now JOHNSON & DAVIS, PA) and spends a significant portion of his practice in civil litigation.

shareholder with the law firm of JOHNSON DAVIS WARD, PA (now JOHNSON & DAVIS, PA) and spends a significant portion of his practice in civil litigation.

19. Colleton's attorney, Jason W. Ward, was admitted to the South Carolina Bar in 2004, and since that time has been engaged in private practice. Colleton's attorney was a shareholder with the law firm of JOHNSON DAVIS WARD, PA and spends a significant portion of his practice in civil litigation.

20. Colleton's attorneys charge $250.00 per hour which is consistent with the hourly rate customarily charged in this area for similar services.

21. The result accomplished by Colleton's attorneys was beneficial in that Colleton obtained a judgment against Defendant as prayed for in its Complaint.

22. The amount due and owing pursuant to the Covenants, as amended thereto, as of May 12, 2015, and interest and other costs and expenses of collection, including attorney's fees, is as follows:

A. Principal, Administrative Fees, and Interest as of May 12, 2015	$ 78,346.69
B. Attorney's Fees	2,562.50
C. Costs/Expenses of Collection (service, filing, etc.)	465.37
TOTAL DEBT:	$ 81,374.56

CONCLUSIONS OF LAW

I therefore conclude as follows:

Colleton should have judgment against Defendant for the amounts owed, including interest, attorney's fees and costs.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. That the Plaintiff, Colleton River Plantation Club, Inc., is granted judgment against the Defendant in the amount of $78,346.69, plus interest in the amount of $1,910.56,

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2. This Court shall retain jurisdiction to award Colleton such additional attorney's fees and costs as are incurred in excess of those provided for herein.

Marvin H. Dukes, III
Master-in-Equity for Beaufort County

Beaufort, South Carolina
May 12, 2015

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Effective: August 11, 2008; Revised: February 24, 2009; Second Revision: March 23, 2010; Third Revision January 11, 2011; Fourth Revision April 25, 2011; Fifth Revision March 19, 2014; Sixth Revision September 15, 2014; Seventh Revision September 25th, 2014; Eighth Revision January 29th, 2015; Ninth Revision March 3rd, 2015

COLLETON RIVER PLANTATION CLUB, INC.
PAYMENT POLICY

1. Billing of member accounts is performed monthly as of the last calendar day of the month.
2. Member statements are mailed the first or second business day of the subsequent month.
3. Payment for all charges, fees and assessments are due by the last day of the month billed ***("due date").***
4. All payments received by the due date are applied as the current month's payment.
5. Any payment received after the due date is recorded as the following month's business.
6. Payment can be made by cash, check, bank draft or credit card. An administrative fee of 3.5% of the amount paid will be assessed for all credit card payments
7. All account charges, fees and assessments not received by the due date are assessed a 1.5% finance charge each month until paid in full.
8. Account balances of $500 or more remaining unpaid as of the due date will result in the following:
    a. Notice will be sent to the Member regarding the past due balance.
9. If there has been no activity within 30 days after the due date, the following actions will be taken:
    a. Club privileges will be suspended ***("suspension date")***,
    b. Any remaining obligation for Operating or Replacement Reserve Assessments for the year will be accelerated and will become due and payable in full immediately. Subsequent year Operating and Replacement Reserve Assessments will also be accelerated and will become due and payable in full as of the last day of the preceding calendar year. The Club reserves the right to reverse assessment acceleration for members who become current on all amounts owed prior to assessment acceleration within 30 days of the acceleration.
    c. The Club will pursue an action at law against the Owner personally obligated to pay the balance or to foreclose the lien against his Lot or Dwelling, or both,
    d. Legal fees, to cover costs associated with preparing and filing a complaint in such action shall be added to the Member account and interest shall accrue on these costs at the rate of 1.5%.
    e. The Club will turn the delinquent account over to a collection agency for collection and credit bureau reporting.
10. Monthly Payment Option:
    A Monthly Payment Plan option is available for members who request assistance in meeting their Operating and Reserve Assessment obligations in a timely manner.
        a. The Monthly Payment Plan Option shall be approved on an annual basis by the Board of Directors based on applications made directly to the Board by Members requesting the Option based on a specific business or financial hardship need.
        b. The Monthly Payment Plan Option will be offered in two semi-annual installment cycles; i.e. January through June; July through December
        c. The monthly installment amount will be one-sixth of the total of the assessments
        d. Unpaid balances will incur a one percent administrative charge each month
        e. All other monthly charges must be paid by the due date
        f. Payment of the monthly installment will be made by credit card or bank draft on the 25th of the month
        g. An administrative fee of 3.5% of the monthly installment will be charged if using a credit card
        h. In return for the above, 1) Member privileges will not be suspended, 2) A lien will not be placed on the property, and 3) Personal judgments will not be sought
        i. If a credit card has been declined or the bank draft does not go through, the plan will be revoked, the obligation considered delinquent, privileges suspended, a lien will immediately be placed on the property, personal judgments will be sought, and the account will be turned over to a collection agency who will report the delinquent member to multiple credit bureaus.
        j. The Monthly Payment Plan Option is not available for and does not apply to any special assessment; i.e. the Clubhouse Assessment

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Colleton River Plantation Club

Joel Lee / Bluffton Properties, LLC
788 N. Jefferson Street, Milwaukee, WI 53202
Lot A-02 Status = Suspended
1 Boone Court
Member Number A0021/A0022
Beaufort County Tax Map: R600 025 00A 0005 0000

Date	Detail	Add'l Information	Amounts Charged	Balance
10/02/12	Legal Fees		750.00	750.00
10/31/12	Delinquent Fee		25.00	775.00
10/31/12	Adminitration Fee		121.84	896.84
11/30/12	Membership Dues, Jan 01, 2013 - Jun 30, 2013		6,875.00	7,771.84
11/30/12	Reserve Fees, Jan 01, 2013 - Jun 30, 2013		900.00	8,671.84
11/30/12	Interest		148.67	8,820.51
12/31/12	Interest		156.95	8,977.46
01/31/13	Interest		159.13	9,136.59
02/28/13	Interest		161.51	9,298.10
03/31/13	Clubhouse Assessment Apr 01, 2013 - Sep 30, 2013		1,250.00	10,548.10
03/31/13	Interest		163.93	10,712.03
04/30/13	Interest		185.14	10,897.17
05/31/13	Lot Maintenance		165.00	11,062.17
05/31/13	Membership Dues, Jul 01, 2013 - Dec 31, 2013		6,875.00	17,937.17
05/31/13	Reserve Fee, Jul 01, 2013 - Dec 31, 2013		900.00	18,837.17
05/31/13	Interest		187.92	19,025.09
06/30/13	Locker Fees		150.00	19,175.09
06/30/13	Interest		307.37	19,482.46
07/31/13	Interest		314.45	**19,796.91**
08/31/13	Interest		286.57	20,083.48
09/30/13	Clubhouse Assessment, Oct 01, 2013 - Mar 31, 2014		1,250.00	21,333.48
09/30/13	Interest		290.87	21,624.35
10/31/13	Interest		313.99	21,938.34
11/30/13	Membership Dues, Jan 01, 2014 - Jun 30, 2014		7,087.50	29,025.84
11/30/13	Reserve Fee, Jan 01, 2014 - Jun 30, 2014		1,050.00	30,075.84
11/30/13	Interest		318.70	30,394.54
12/31/13	Interest		445.54	30,840.08
01/31/14	Interest		452.22	31,292.30
02/28/14	Interest		459.01	31,751.31
03/31/14	Clubhouse Assessment, Apr 01, 2014 - Sep 30, 2014		1,250.00	33,001.31
03/31/14	Interest		465.89	33,467.20
04/30/14	Interest		491.63	33,958.83
05/31/14	Membership Dues, Jul 01, 2014 - Dec 31, 2014		7,087.50	41,046.33
05/31/14	Reserve Fee, Jul 01, 2014 - Dec 31, 2014		1,050.00	42,096.33
05/31/14	Interest		499.00	42,595.33
06/30/14	Interest		628.55	43,223.88
07/01/14	Johnson Davis Ward		50.00	43,273.88
07/14/14	Lot Maintenance		-	43,273.88
07/31/14	Interest		637.98	43,911.86
08/01/14	Johnson Davis Ward		374.00	44,285.86
08/31/14	Interest		650.77	44,936.63
09/30/14	Clubhouse Assessment, Oct 01, 2014 - Mar 31, 2015		1,250.00	46,186.63
09/30/14	Bushhogging		195.00	46,381.63
09/30/14	Interest		666.15	47,047.78
10/31/14	Interest		697.81	47,745.59

Joel Lee / Bluffton Properties, LLC
788 N. Jefferson Street, Milwaukee, WI 53202
Lot A-02 Status = Suspended
1 Boone Court
Member Number A0021/A0022
Beaufort County Tax Map: R600 025 00A 0005 0000

Date	Detail	Add'l Information	Amounts Charged	Balance
10/31/14	*Record Payment & Adjustment rec'd by Tek Collect*	*on Oct 31, 2014 (paid by J Lee)*	***(7,630.84)***	40,114.75
10/31/14	*Record Payment & Adjustment rec'd by Tek Collect*	*on Oct 31, 2014 (paid by J Lee)*	***(1,346.16)***	38,768.59
10/31/14	*Record Settlement Adjustment from 10/31/14*	*[Judgment of $19,796.91]*	***(10,819.91)***	27,948.68
10/31/14	*Record Settlement Adjustment from 10/31/14*	***Total settlement = ($25,288.49)***	***(5,491.58)***	22,457.10
11/01/14	Johnson Davis Ward		475.00	22,932.10
11/30/14	Membership Dues, Jan 01 - Jun 30, 2015		7,312.50	30,244.60
11/30/14	Rerserve Fee, Jan 01 - Jun 30, 2015		1,150.00	31,394.60
11/30/14	Interest		336.86	31,731.46
12/01/14	Johnson Davis Ward		266.00	31,997.46
12/31/14	Interest		475.97	32,473.43
01/31/15	Interest		487.10	32,960.53
02/01/15	Johnson Davis Ward		302.20	33,262.73
02/05/15	Membership Dues, Accelerated, Jul 01 - Dec 31/2015		7,312.50	40,575.23
02/05/15	Reserve Fee, Accelerated, Jul 01 - Dec 31, 2015		1,150.00	41,725.23
02/28/15	Interest		494.41	42,219.64
03/31/15	Clubhouse Assessment, Apr 01, 2015 - Sep 30, 2015		1,250.00	43,469.64
03/31/15	Interest		633.29	44,102.93
04/01/15	Johnson Davis Ward		527.25	44,630.18
04/30/15	Interest		661.54	45,291.72
05/01/15	Johnson Davis Ward		244.39	45,536.11
05/31/15	Interest		679.38	46,215.49
06/01/15	Johnson Davis Ward		987.36	47,202.85
06/30/15	Interest		693.23	47,896.08
07/01/15	Johnson Davis Ward		112.50	48,008.58
07/31/15	Interest		718.44	48,727.02
08/31/15	Interest		730.91	49,457.93
09/30/15	Clubhouse Assessment, Oct 1, 2015 - Mar 31, 2016		1,250.00	50,707.93
09/30/15	Interest		760.62	51,468.55
10/31/15	Interest		772.03	52,240.58
11/30/15	Membership Dues, Jan 01 - Jun 30, 2016		7,387.50	59,628.08
11/30/15	Reserve Fee, Jan 01 - Jun 30, 2016		1,325.00	60,953.08
11/30/15	Interest		783.61	61,736.69
12/01/15	Johnson & Davis Legal Fees		2,760.43	64,497.12
12/31/15	Interest		926.05	65,423.17
01/01/16	Johnson & Davis Legal Fees		69.23	65,492.40
01/31/16	Membership Dues, Jul 01 - Dec 31, 2016		7,387.50	72,879.90
01/31/16	Reserve Fee, Jul 01 - Dec 31, 2016		1,325.00	74,204.90
01/31/16	Interest		981.35	75,186.25
02/01/16	Johnson & Davis Legal Fees		25.00	75,211.25
02/28/16	Interest		1,127.79	76,339.04
03/01/16	Johnson & Davis Legal Fees		87.50	76,426.54
03/31/16	Clubhouse Assessment Apr 1, 2016 - Sep 30, 2016		1,250.00	77,676.54
03/31/16	Interest		1,113.07	78,789.61
04/01/16	Johnson & Davis Legal Fees		775.00	79,564.61
04/30/16	Interest		1,145.09	80,709.70
05/01/16	Johnson & Davis Legal Fees		1,812.43	82,522.13
05/31/16	Interest		1,181.84	83,703.97
06/01/16	Johnson & Davis Legal Fees		137.50	83,841.47
06/30/16	Interest		1,210.65	85,052.12

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Joel Lee / Bluffton Properties, LLC
788 N. Jefferson Street, Milwaukee, WI 53202
Lot A-02 Status = Suspended
1 Boone Court
Member Number A0021/A0022
Beaufort County Tax Map: R600 025 00A 0005 0000

Date	Detail	Add'l Information	Amounts Charged	Balance
07/01/16	Johnson & Davis Legal Fees		287.50	85,339.62
07/31/16	Interest		1,275.78	86,615.40
08/01/16	Johnson & Davis Legal Fees		156.89	86,772.29
08/31/16	Interest		1,299.23	88,071.52
09/01/16	Johnson & Davis Legal Fees		401.68	88,473.20
09/16/16	Bushhogging		325.00	88,798.20
09/30/16	Clubhouse Assessment		1,250.00	90,048.20
09/30/16	Interest		1,321.07	91,369.27
10/01/16	Johnson & Davis Legal Fees		739.15	92,108.42
10/31/16	Interest		1,370.54	93,478.96
11/01/16	Johnson & Davis Legal Fees		275.00	93,753.96
11/30/16	Membership Dues, Jan 01 - Dec 31, 2017	Full Year	14,925.00	108,678.96
11/30/16	Reserve Fee, Jan 01 - Dec 31, 2017	Full Year	3,100.00	111,778.96
11/30/16	Interest		1,402.18	113,181.14
12/31/16	Interest		1,697.72	114,878.86
01/01/17	Johnson & Davis Legal Fees		200.00	115,078.86
01/31/17	Interest		1,723.18	116,802.04
02/01/17	Johnson & Davis Legal Fees		331.74	117,133.78
02/28/17	Interest		1,752.03	118,885.81
03/01/17	Johnson & Davis Legal Fees		331.74	119,217.55
03/31/17	Clubhouse Assessment		1,250.00	120,467.55
03/31/17	Interest		1,783.29	122,250.84
04/01/17	Johnson & Davis Legal Fees		2,129.65	124,380.49
04/30/17	Interest		1,833.76	126,214.25
05/01/17	Johnson & Davis Legal Fees		1,862.89	128,077.14
05/31/17	Interest		1,893.21	129,970.35
06/01/17	Johnson & Davis Legal Fees		512.50	130,482.85
06/30/17	Interest		1,949.56	132,432.41
07/01/17	Johnson & Davis Legal Fees		325.00	132,757.41
07/01/17	Hoft 3126:Hurricane Cleanup Service		485.00	133,242.41
07/01/17	Hoft 3126:Bushhoging		195.00	133,437.41
07/31/17	Interest		1,986.49	135,423.90
08/01/17	Johnson & Davis Legal Fees		237.50	135,661.40
08/31/17	Interest		2,031.36	137,692.76
09/01/17	Johnson & Davis Legal Fees		1,090.84	138,783.60
09/30/17	Interest		2,065.39	140,848.99
10/01/17	Johnson & Davis Legal Fees		1,492.50	142,341.49
10/31/17	Interest		2,112.73	144,454.22
11/01/17	Johnson & Davis Legal Fees		2,071.64	146,525.86
11/30/17	Semi Annual Dues, Jan 1 - Jun 30, 2018		7,575.00	154,100.86
11/30/17	Semi Annual Reserve, Jan 1 - Jun 30, 2018		1,775.00	155,875.86
11/30/17	Interest		2,166.81	158,042.67
12/01/17	Johnson & Davis Legal Fees		1,875.90	159,918.57
12/31/17	Interest		2,370.64	162,289.21
01/01/18	Johnson & Davis Legal Fees		6,361.80	168,651.01
01/31/18	Semi Annual Dues, Jul 1 - Dec 31, 2018	Accelerated	7,575.00	176,226.01
01/31/18	Semi Annual Reserve, Jul 1 - Dec 31, 2018	Accelerated	1,775.00	178,001.01
01/31/18	Interest		2,434.34	180,435.35

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Colleton River Plantation Club

Joel Lee / Bluffton Properties, LLC
788 N. Jefferson Street, Milwaukee, WI 53202
Lot A-02 Status = Suspended
1 Boone Court
Member Number A0021/A0022
Beaufort County Tax Map: R600 025 00A 0005 0000

Date	Detail	Add'l Information	Amounts Charged	Balance
02/01/18	Johnson & Davis Legal Fees		1,875.90	182,311.25
02/28/18	Interest		2,706.53	185,017.78
03/01/18	Johnson & Davis Legal Fees		4,486.95	189,504.73
03/31/18	Interest		2,775.27	192,280.00
04/01/18	Johnson & Davis Legal Fees		487.50	192,767.50
04/30/18	Interest		2,884.20	195,651.70
05/10/18	Johnson & Davis Legal Fees		1,538.39	197,190.09
05/31/18	Interest		2,934.78	200,124.87
06/01/18	Johnson & Davis Legal Fees		3,501.70	203,626.57
06/14/18	McNair Legal Invoice		900.00	204,526.57
06/30/18	Interest		3,054.40	207,580.97
07/05/18	Johnson & Davis Legal Fees		180.25	207,761.22
07/31/18	Interest		3,113.71	210,874.93
08/01/18	Johnson & Davis Legal Fees		1,612.50	212,487.43
08/01/18	McNair Legal Invoice		(450.00)	212,037.43
08/31/18	Interest		3,187.31	215,224.74
09/10/18	Johnson & Davis Legal Fees		1,728.12	216,952.86
09/30/18	Interest		3,228.37	220,181.23
10/01/18	Johnson & Davis Legal Fees		58.75	220,239.98
10/01/18	Johnson & Davis Legal Fees		2,372.50	222,612.48
10/31/18	Interest		3,302.72	225,915.20
11/05/18	Johnson & Davis Legal Fees		137.50	226,052.70
11/05/18	Johnson & Davis Legal Fees		1,865.00	227,917.70
11/26/18	Bushhogging, Lot A-02		250.00	228,167.70
11/30/18	Semi Annual Dues, Jan 1 - Jun 30, 2019		7,875.00	236,042.70
11/30/18	Semi Annual Reserve, Jan 1 - Jun 30, 2019		2,025.00	238,067.70
11/30/18	Interest		3,388.73	241,456.43
			241,456.43	

Joel Lee / Bluffton Properties, LLC
788 N. Jefferson Street, Milwaukee, WI 53202
Lot A-02 Status = Suspended
1 Boone Court
Member Number A0021/A0022
Beaufort County Tax Map: R600 025 00A 0005 0000

Date	Detail	Add'l Information	Amounts Charged	Balance

Summary of Charges above at 11/30/2018:

		Current Balance
Regular Dues	From 01/01/14 - 06/30/19	$ 81,525.00
Reserve Fee	From 01/01/14 - 06/30/19	15,725.00
Clubhouse Assessment	From 10/01/13 - 03/31/17 (end)	10,000.00
Bushhog/Lot Maint	From 09/30/14 - Current	1,450.00
Legal Fees: Johnson Davis Ward	From 07/01/14 - Current	49,534.77
McNair Law Firm	From 06/14/18 - Current	450.00
Interest, Admin, Delinquent Fees	From 08/01/14 - Current	82,771.66
Balance at 11/30/2018:		$ 241,456.43

Dues/Assessments History

Year	*Dues*	*Reserve*	CH Assessment
Sep-2013	$ -	$ -	$ 1,250
2014	14,175	2,100	2,500
2015	14,625	2,300	2,500
2016	14,775	2,650	2,500
2017	14,925	3,100	1,250
2018	15,150	3,550	-
2019, 1st Half	7,875	2,025	-
	$ 81,525	$ 15,725	$ 10,000

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TekCollect
871 Park St.
Columbus, OH 43216
866 652-6500
866-634-3100 (FAX)

August 27, 2014

Joel Lee
C/O Thomas B. Burke-Attorney
788 N. Jefferson St.
Milwaukee, WI 53202

Re:	Colleton River Plantation Club
Ref#:	8052876-4
Balance Due:	**$34,265.95**

Dear Atty Burke,

Per your request today August 27, 2014; in an effort to resolve the above outstanding matter amicably, we have agreed to accept the following settlement offer:

We will accept a settlement in the amount of $8,977.46 in one lump sum due by no later than due by September 15, 2014; if payment is not received settlement will be null & void and balance will be due immediately.

Once all funds have been cleared we will update all derogatory marks done by Tek-Collect on all Consumer Credit Bureaus Database within 30 days after funds clear and satisfy the current judgment pertaining to above debt.

Please remit your payments to the following address: Or you can call in your payment to me @ 614-495-1416.

Tek-Collect
PO Box 1269
Columbus, OH 43216
Attn: Janet Bonet

Thank you,

Janet Bonet
Collections Specialist

We are a debt collector, we are attempting to collect a debt, and any information obtained will be used for that purpose

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STATE OF SOUTH CAROLINA	)	**IN THE COURT OF COMMON PLEAS**
	)	
COUNTY OF BEAUFORT	)	**CIVIL ACTION NO.: 2015-CP-07-02722**
	)	
COLLETON RIVER PLANTATION CLUB, INC.,	)	**PLAINTIFF COLLETON RIVER PLANTATION CLUB, INC.'S RESPONSES TO DEFENDANT JOEL S. LEE'S FIRST REQUESTS FOR ADMISSION.**
Plaintiff,	)	
vs.	)	
JOEL S. LEE,	)	
Defendant.	)	

TO: NEIL D. THOMPSON, ATTORNEY FOR JOEL S. LEE.

Plaintiff Colleton River Plantation Club, Inc. ("Colleton"), hereby responds to Defendant Joel S. Lee's ("Defendant") First Set of Requests for Admission to Plaintiff in accordance with Rule 36, SCRCP.

REQUESTS FOR ADMISSION

1. Admit that Colleton River Plantation Club, Inc. is a non-profit South Carolina corporation.

RESPONSE: Admitted.

2. Admit that the alleged arrearage Plaintiff is seeking to collect against Defendant in this lawsuit (2015-CP-07-02722) concerning Lot A102, Phase I Colleton River Plantation, Beaufort County Tax Map Reference: R600-025-00A-0005-0000 ("Subject Lot") is derived from dues, charges, fees, and interest arising and accruing starting on or about August 9, 2013 (as indicated in document production Colleton_000151); and continues up through current day.

RESPONSE: Colleton admits only that it is seeking all unpaid dues, charges, and fees accruing from the date Joel S. Lee acquired the subject property up to the present day.

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3. Admit that Plaintiff previously filed suit against Defendant in this Court on or about October 9, 2012 for an alleged arrearage of dues, charges, fees, and interest concerning the Subject Lot (Beaufort County Case No. 2012-CP-07-03525).

RESPONSE: Admitted.

4. Admit that on August 8, 2013, Plaintiff obtained a Judgment against Defendant for an alleged arrearage of dues, charges, fees, and interest in the amount of $21,503.87 (hereinafter "2013 Judgment").

RESPONSE: Admitted.

5. Admit that Plaintiff retained and authorized the services of Tek-Collect, a collections agency, to negotiate with Defendant in order to satisfy the 2013 Judgment.

RESPONSE: Colleton admits only that it has retained the services of Tek-Collet in Colleton's efforts to collect debts owed to Colleton.

6. Admit that, in July of 2014, Plaintiff became aware of the conveyance of title of the Subject Lot (from Defendant to Bluffton Properties, LLC) as alleged in Paragraph 29 of Plaintiff's Verified Amended Complaint, and as testified to by Plaintiff's Rule 30(b)(6) corporate designee, Stephanie Kerr.

RESPONSE: Admitted.

7. Admit that, on August 27, 2014, Tek-Collect provided written notice to Defendant whereby the balance due was $34,265.95.

RESPONSE: Colleton was not a party to the discussions between Defendant and Tek-Collect. Thus, Colleton craves reference to the Tek-Collect subpoenaed documents referred to throughout these Requests to Admit.

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8. Admit that, on August 27, 2014, Tek-Collect and Plaintiff agreed to accept $8,977.46 from Defendant in order to satisfy the 2013 Judgment.

RESPONSE: Admitted.

9. Admit that Defendant timely paid the full $8,977.46 to Tek-Collect on or about September 12, 2014 (*see*, Tek-Collect subpoenaed records).

RESPONSE: Colleton was not a party to the discussions between Defendant and Tek-Collect. Thus, Colleton craves reference to the Tek-Collect subpoenaed documents referred to throughout these Requests to Admit.

10. Admit the Satisfaction and Release of [2013] Judgment, was executed and dated September 22, 2014 by Plaintiff's counsel, and subsequently filed by the Beaufort County Court on September 23, 2014.

RESPONSE: Admitted.

11. Admit that, on or about November 7, 2014, Plaintiff filed a collections lawsuit in this Court against the Subject Lot's December 31, 2012 grantee, Bluffton Properties, LLC, for an alleged arrearage of dues, charges, fees, and interest concerning the Subject Lot. (Beaufort County Case No. 2014-CP-07-02827).

RESPONSE: Admitted.

12. Admit that Plaintiff has obtained a Judgment in the Court against Bluffton Properties, LLC, concerning this arrearage, covering alleged non-payment of dues, charges, fees, and interest accruing from December 31, 2012 (the date of transfer of title) up until May 12, 2015 (the date of the Order of Judgment) (hereinafter "2015 Judgment").

RESPONSE: Admitted.

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13. Admit that the Order of [2015] Judgment granted to Plaintiff against Bluffton Properties, LLC, is $78,346.69, plus $1,910.56 in interest, and additional attorney's fees and costs (filed on or about May 12, 2015).

RESPONSE: Admitted.

14. Admit that the July, 2014 date in which Plaintiff obtained notice of the transfer of title of the Subject Lot (from Defendant to Bluffton Properties, LLC) preceded: (1) the August 2014 finalized negotiations and satisfaction of the 2013 Judgment; and (2) Plaintiff's November, 2014 filing of a collections action against the Subject Lot's grantee, Bluffton Properties, LLC.

RESPONSE: Admitted.

15. Admit that the $8,977.46 paid by Defendant to satisfy the 2013 Judgment is precisely the same amount as Defendant's alleged balance owed as of December 31, 2012, per the Plaintiff's "Member History" statement (*see*, Tek-Collect subpoenaed records).

RESPONSE: Admitted.

16. Admit that December 31, 2012 was the date of conveyance of the Subject Lot from Defendant to Bluffton Properties, LLC.

RESPONSE: Colleton was not a party to the conveyance of the Subject Lot, thus, Colleton craves reference to the deed purportedly conveying the Subject Lot. In addition, there is no evidence of when and how this deed was "delivered." If it was deemed "delivered" when recorded, then that was on May 28, 2013.

17. Admit that, since the subject lawsuit has been filed, Plaintiff has rejected any and all offers to take title of the Subject Property without monetary consideration, in exchange for a dismissal of the pending lawsuit.

RESPONSE: Colleton objects to this request on the grounds that all settlement negotiations are confidential and not admissible pursuant to South Carolina Rule of Evidence 408.

JOHNSON & DAVIS, PA

Barry L. Johnson, Attorney at Law
S. Harrison Williams, Attorney at Law
The Victoria Building, Suite 200
10 Pinckney Colony Road
Bluffton, SC 29909
T: (843) 815-7121
Bluffton, South Carolina
barry@jdwpa.com
harrison@jd-pa.com
Attorneys for Defendants

December 3, 2018

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CERTIFICATE OF SERVICE

I, Gay E. Reed, an employee of Johnson & Davis, PA, do hereby certify that on December 3rd, 2018, I served copies of the above to the person(s) named below by e-mail only, as follows:

Neil D. Thomson, Esquire
NEIL.THOMSON@FORDWALLACE.COM

Gay E. Reed

Gay E. Reed

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Beaufort County, South Carolina

generated on 12/3/2018 4:11:11 PM EST

Property ID (PIN)	Alternate ID (AIN)	Parcel Address	Data refreshed as of
R600 025 00A 0005 0000	04701834	1 BOONE HALL CT,	11/9/2018

Current Parcel Information

Owner	BLUFFTON PROPERTIES LLC	Property Class Code	ResVac Platted&Unplatted
Owner Address	788 N JEFFERSON ST MILWAUKEE WI 53202	Acreage	.0000
Legal Description	LOT A2 COLLETON RIVER PLANT PB41 P110		

Historic Information

Tax Year	Land	Building	Market	Taxes	Payment
2018	$70,000		$70,000	$332.00	$0.00
2017	$20,000		$20,000	$303.21	$473.69
2016	$20,000		$20,000	$298.27	$468.01
2015	$20,000		$20,000	$285.51	$453.34
2014	$20,000		$20,000	$269.30	$269.30
2013	$20,000		$20,000	$261.37	$261.37
2012	$170,000		$170,000	$1,930.34	$1,930.34
2011	$170,000		$170,000	$1,905.65	$1,905.65
2010	$170,000		$170,000	$1,888.62	$1,888.62
2009	$170,000		$170,000	$1,853.02	$1,961.45
2008	$300,000		$300,000	$3,703.59	$3,703.59
2007	$300,000		$300,000	$3,549.48	$3,549.48

Sales Disclosure

Grantor	Book & Page	Date	Deed	Vacant	Sale Price
LEE JOEL S	3242 2923	12/31/2012	Ge		$1
OAKMARSH PARTNERS LTD P/S % SPECTR	656 1816	9/20/1993	Fu		$129,500
		12/31/1776	Or		$0

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RESOLUTION OF THE BOARD OF DIRECTORS

OF

COLLETON RIVER PLANTATION CLUB, INC.

The following resolution was adopted at a meeting of the Board of Directors of the Colleton River Plantation Club, Inc. ("**Club**") on September 28, 2010, as the action of the Board of Directors ("**Board**") of the Club, and a copy of this Resolution shall be filed with the minutes of the proceedings of the Board.

WHEREAS, the Third Amendment to the Amended and Restated Declaration of Covenants for Colleton River Plantation ("**Declaration**") provides in Chapter 14 that "each Lot . . . shall have a person who shall be the Designated User of such Lot"; and

WHEREAS, Section 14.2(a)(ii) of the Declaration provides the "(i)n the event any Lot is owned by more than one Owner or a legal entity, the collective Owners of such Lot shall unanimously designate one of the Owners of at least a 25% interest in the Lot or entity as the Designated User, . . ." and that any such designation by collective Owners "is subject to Board approval as provided in Section 14.2(e)"; and

WHEREAS, Sections 14.2(b) and (c) of the Declaration provide that the Owner of a Lot may designate another individual, who is not the Owner of a Lot within Colleton River Plantation, to be the Designated User for his or her Lot ("**Non-Owner Designated User**"); provided, no person may be a Non-Owner Designated User for a cumulative period of more than three years; and

WHEREAS, Section 14.2(e) of the Declaration provides that "(t)he Board shall establish reasonable criteria for approval of Designated Users"; and

WHEREAS, Section 12.9 of the Declaration provides that "(a)ny Person purchasing a Lot within Colleton River Plantation shall make a '**Capital Contribution**' to the capital of the Club in an amount equal to $15,000.00 per Lot"; provided, in the case of a Lot owned by co-Owners, whether persons or legal entities, the sale of less than all of the ownership interest in the Lot shall be exempt from payment of a Capital Contribution unless such sale changes the majority ownership interest in the Lot; and

WHEREAS, the Board recognizes that the Declaration provisions concerning Designated Users, Non-Owner Designated Users, co-Ownership of Lots, and the Capital Contribution provide for the possibility of a former Non-Owner Designated User acquiring an interest in a Lot as a co-Owner, being assigned Designated User status with respect to such Lot, and, as such, continuing to use the Club facilities after termination of Non-Owner Designated User status despite not making a full commitment to the purchase of a Lot; and

WHEREAS, the Board deems the scenario set forth in the previous paragraph to be contrary to spirit and intent of the Designated User and Non-Owner Designated User program and desires to establish reasonable criteria pertaining to the assignment of Designated User status to a person acquiring a co-Ownership interest in a Lot after previously being a Non-Owner Designated User;

NOW, THEREFORE, IT IS HEREBY RESOLVED that:

Any person who previously participated in the Non-Owner Designated User program can not be approved as a Designated User for a Lot in which he or she acquired a co-ownership interest unless the co-ownership interest acquired is a majority interest in the Lot (*i.e.*, a greater than 50% interest), as evidenced by a recorded deed to the Lot, and a Capital Contribution is paid upon acquisition of such interest. In addition to the above criteria, any such applicant for Designated User status shall meet such other criteria as the Board imposes with respect to Designated User applicants generally.

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IN WITNESS WHEREOF, the undersigned Secretary of the Club hereby certifies that the foregoing Resolution was adopted at a duly called and held meeting of the Board on September 28, 2010 by a majority vote of the total number of directors then in office.

Secretary

561701/Misc/Resolution-Designated Users

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COLLETON RIVER PLANTATION

DESIGNATED USER
ACKNOWLEGMENT OF RESPONSIBILITY FOR CHARGES

The undersigned "**Designated User**" hereby acknowledges and agrees that he/she is the Designated User for the "**Lot**" described below in Colleton River Plantation and, as Designated User, he/she is liable to Colleton River Plantation Club, Inc. ("**Club**") for payment of all annual operating assessments for such Lot and all other Club charges associated with such Lot.

The undersigned further acknowledges and agrees that his/her obligation to the Club for annual operating assessments and other Club charges, as stated herein and as set forth in the Third Amendment to the Amended and Restated Declaration of Covenants for Colleton River Plantation ("**Declaration**"), shall be a valid and enforceable obligation of the undersigned to the Club notwithstanding any other agreements between the undersigned and any Owner or co-Owner of the Lot with respect to liability for such payments.

_____ _____
Print Name Witness

_____ Date _____
Signature of Designated User

Lot Number _____

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IN THE COURT OF COMMON PLEAS
FOURTEENTH JUDICIAL CIRCUIT
STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

COLLETON RIVER PLANTATION CLUB, INC.,
Plaintiff,

vs. CIVIL ACTION NUMBER
2015-CP-07-0

JOEL S. LEE,
Defendant.

----------/

The deposition of JOEL S. LEE, a witness in the above-entitled cause, taken pursuant to Notice and agreement, before Cathy M. Knoettner, Certified Court Reporter and Notary Public, at the Law Offices of Johnson & Davis, P.A., 10 Pinckney Colony Road, Suite 200, Bluffton, South Carolina, on the 9th day of March, 2017, commencing at or about the hour of 12:42 p.m.

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NUMBER	DESCRIPTION	PAGE
PX-1	Notice of Deposition of Defendant Joel Lee, dated 2-22-17	
PX-2	Subpoena to Joel Lee dated 2-22-17	
PX-A-PX-3QQ	All documents produced by defense Counsel	
PX-4	Title to Real Estate Colleton River Plantation, dated 9-20-93	
PX-5	Title to Real Estate Colleton River Plantation, dated 12-31-12	
PX-6	Articles of Organization Limited Liability Company, dated 5-24-01	
PX-7	Defendant's Answer to Plaintiff's Amended Complaint, dated 10-4-16	
PX-8	Verified Amended Complaint	
PX-9	Amendment to the Third Amended and Restated Colleton River Plantation Declaration of Covenants and Provisions for Membership in Colleton River Plantation Club, Inc.	
PX-10	Excerpt from th South Carolina Code of Laws	

REPORTER'S NOTE: ALL EXHIBITS WERE PREMARKED BY PLAINTIFF'S COUNSEL.

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JOEL S. LEE,

having been produced and first duly sworn as a witness, testified as follows:

DIRECT EXAMINATION

BY MR. JOHNSON:

Q Please state your full name for the record.

A First name is Joel, middle initial is S, and my last name is Lee.

Q Mr. Lee, I am Barry Johnson. We met when you came into the office a few minutes ago. I represent Colleton in the case that brings us here today. I am required to give you a little bit of preliminary information. If you need to take a break from the deposition at any time for any reason, please let me know and we will stop and certainly accommodate that. My preference would be that when we conclude that if we were to take break, it would be after an answer to any question that was on the table has been concluded.

A Sure.

Q In answering questions as you're doing now, please continue to use the normal words like yes and no rather than the colloquial

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expressions uh-huh and uh-uh because those are difficult for the court reporter. If at any time I ask a question that you don't understand or did not hear, please just let me know and I will rephrase or restate the question.

The rules require that should you have any question regarding a question that I ask you, that you direct your inquiry about that question to me rather than Mr. Thomson. If we take a break during the deposition, you're not allowed to discuss the substance of the deposition with Mr. Thomson or anyone else until after the deposition is concluded. Is all that understood?

A Yes.

Q Where do you live, sir?

A Milwaukee, Wisconsin.

Q All right. I'm going to show you what's marked as Exhibit 1 to your deposition. I don't know if you have actually seen that, but have you actually seen this? It is a notice of this deposition today.

A Yes.

Q All right, sir. We'll put that one right there. And then I show you what's marked

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as Exhibit Number 2 to your deposition. This is a subpoena requiring your attendance today and that you bring certain documents. Have you seen this before, sir?

A Yes.

Q All right. And from discussions prior to the commencement of the deposition with your counsel, I understand that you did bring certain documents with you; correct?

A Yes.

Q This group are documents that I have marked as Exhibits 3-A through 3-QQ, and I will relate to you that these are documents which your counsel handed me a few minutes ago and on which I have just placed for convenience of discussion these exhibit numbers. You can look through those if you need to, but my question is, are the documents that are now before you in the various subparts of Exhibit 3 the documents which you have produced today pursuant to the subpoena?

A Yes.

Q All right, sir. Did these documents come from your own files?

A Yes.

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Q Where and how do you maintain those files?

A They are maintained in Milwaukee, Wisconsin. They are maintained in my office.

Q All right, sir. Where is your office in Milwaukee?

A 788 North Jefferson Street, 53202.

Q All right. We will get into these documents in a few minutes. Please tell me your educational background.

A I graduated high school in 1952. I graduated from the University of Wisconsin, undergraduate in 1956. I graduated from University of Wisconsin Law School in 1959, and that was it.

Q All right, sir. Please tell us your work history?

A Starting when?

Q I guess when you got out of law school.

A Okay. When I got out of law school, I went to work in the tax department of a CPA firm in Milwaukee called Arthur Young. I had a law degree and an accounting degree. I did that for about two years. Then I went into private practice and practiced for 30 years.

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Q In Milwaukee?
A Yes.
Q Did you practice in one firm or a series of firms?
A It was generally a firm that kept growing. It started out with two guys and ended up with 13.
Q All right. And what's the current name of that firm?
A The firm is no longer in business. Went out of business in about 1991.
Q All right, sir. And that's approximately when you stopped practicing?
A It is when I stopped practicing.
Q All right, sir. What kind of law did you practice?
A I did mergers, acquisitions, tax work. I guess you'd call transactional law versus trial law.
Q Yes, sir. When did you become acquainted with this part of the country, Beaufort County, South Carolina?
A Thirty-five years ago.
Q All right. So that's approximately when you stopped practicing law?

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A Yes, sir.

Q All right. So you came down here on vacation?

A I came down here to play tennis and fell in love with the place.

Q Good. Did you acquire property here?

A I've had a number of properties here.

Q Okay. One of them obviously was -- at least one property -- at Colleton River Plantation?

A Correct.

Q Where else did you have properties?

A My first property was a condo in Shipyard, my second property was a condo in -- I guess it's part of Port Royal Plantation called Devonshire, and my third property was a house on Barnacle Road in Port Royal.

Q And then there was a fourth property?

A If you mean lots and houses as both being property?

Q Yes, sir.

A The fourth acquisition was a lot in Colleton River.

Q Were there any other such acquisitions, lots --

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A Yes, a lot in Belfair and a lot in Berkeley Hall.

Q All right, sir. Do you still own any of these properties; I think altogether it was about six, roughly?

A Yes. I own the house on Barnacle Road and through a couple of L.L.C.'s I own lots in Berkeley and Belfair.

Q What are the names of those L.L.C.'s?

A I think they're all under the name of Bluffton Properties.

Q So one L.L.C. or separate L.L.C.'s that are owned by Bluffton Properties?

A I think it's one L.L.C. called Bluffton Properties.

Q So Bluffton Properties, L.L.C.?

A Yeah, but it could be Bluffton Properties, L.L.C. 1, 2 and 3. I have a lawyer that does that stuff for me. I don't do any legal work anymore.

Q Is that Mr. Burke?

A Tom Burke.

Q All right. Was he in any way affiliated with your old firm?

A No.

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Q And he's in Milwaukee?
A Yes.
Q He's not licensed in South Carolina, right?
A I don't think so.
Q How much time do you spend down in Beaufort County generally now?
A Well, I'm kind of semiretired now and we try to get down here a week a month from about November through May.
Q Did you engage in other business activities after you retired from law?
A Yes.
Q And what were those activities?
A I owned the Thrifty Rent A Car in Savannah, Beaufort and Hilton Head for a few years, and I started developing commercial real estate in about 1990 and have kind of made that a retirement business for the last -- probably almost 30 years now.
Q All right. Where are these commercial properties generally located?
A Milwaukee.
Q Shopping center-type properties?
A No, office buildings and industrial

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buildings.

Q Okay. Mr. Lee, I show you what's marked as Exhibit 4 to your deposition. Do you know what this is, sir?

A (Examines document.) It's titled Title To Real Estate and it looks like the deed for Colleton River.

Q All right, sir. And this would be a deed to you; is that correct?

A That's correct.

Q And it concerns Lot A02 in Phase I at Colleton River Plantation; correct?

A I can't see the legal description here but -- I don't remember what the lot number was, but that definitely sounds like what it was.

Q All right. I'll represent to you that the copy I have reads Lot A02, Phase I, Colleton River Plantation on Exhibit 4.

A That was the purchase -- the purchase price here is the purchase price of the lot I bought in Colleton River.

Q And that was how much money?

A That was $129,500.

Q All right, sir. And this deed on the next to the last page indicates that it was

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dated the 20th day of September, 1993; is that correct?

A Correct.

Q All right, thank you. I show you what's marked as Exhibit 5 to your deposition and ask you if you can tell me what this is.

A Looks like a deed quitclaimed to Bluffton Properties, L.L.C.

Q All right, sir. Going back to an earlier answer from you today, this says Bluffton Properties, L.L.C., Series 1; is that correct?

A Yes.

Q All right. And would you agree this deed was apparently signed on December 31, 2012?

A Correct.

Q And notarized on that day by Thomas B. Burke?

A Correct.

Q And the notation in the left-hand corner of page two of Exhibit 5 indicates that this deed was prepared by Mr. Burke?

A Yes.

Q Then the third page of this exhibit, I don't quite understand that. It's dated May 29,

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2013, a letter from Mr. Burke to the Beaufort County Registrar of Deeds regarding Belfair, Berkeley Hall and Colleton Dees. Can you tell me what that's in reference to?

A No. I can tell you that this is Thomas Burke's stationery, and the letter, it seems to say what it says. I don't know what it means.

Q Do you know what Colleton Dees is?

A No.

Q Might that be a typo for Colleton deeds?

A It could be.

Q All right, sir. And what was the consideration for this transfer, Exhibit 5, page one?

A I don't know. I would assume good and valuable consideration.

Q Let me call your attention to the first line of the document where it reads, quote, "Know all men by these presents, that Joel S. Lee, in consideration of the sum of $1 and no other valuable consideration to it in hand paid", et cetera, end of quote. Does that refresh your recollection?

A It doesn't refresh my recollection but

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it says what it says, so I accept that.

Q All right, sir. Here's what's marked as Exhibit 6. Can you identify this document, sir?

A Articles of Organization of a limited liability company.

Q All right, sir. And this indicates in paragraph one that the name of the company is Bluffton Properties, L.L.C.?

A Correct.

Q And this document was filed May 29, 2001, according to the stamp in the upper right-hand corner of page one by the Secretary of State?

A Yes.

Q All right, sir. In paragraph three of this document it says the agent for service of process, somebody named Richard Vecchio. Do you know who that is?

A No.

Q All right, sir. And then on the third page it indicates in paragraph ten the signature of each organizer, which appears to be again the signature of Richard Vecchio. Do you recognize that?

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A No.
Q Do you know who Mr. Vecchio is?
A No.
Q Have you ever had any dealings with Mr. Vecchio?
A Not to my knowledge.
Q Thank you.
Here's Exhibit 7. I'm going to hand you a couple of other ones right now as well. Here's Number 8, and here's Number 9. And I give you all three those together, Exhibits 7, 8 and 9, because you may find it helpful to reference them as I go through these questions. Do you understand what Exhibit 7 is?
A Answer to a complaint.
Q All right, sir. And that's an answer on your behalf; correct?
A Correct.
Q And it's an answer to Colleton's, actually, amended complaint in this case; correct?
A That's what the heading says; correct.
Q All right, sir. Now, just to get the picture of what's on the table before you, look at Exhibit 8 when you have a minute, please.

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A Okay.
Q Do you know what that is, sir?
A It says Verified Amended Complaint.
Q All right, sir. Do you know what that is?
A I generally know what it is, yes.
Q All right. So it is the amended complaint -- Exhibit 8 is the amended complaint to which Exhibit 7 is your answer; correct?
A Yes.
Q All right, sir. If you would look at Exhibit 9 and tell me if you know what that is.
A I only know what it is by the heading here that says it's the Amendment to the Third Amended and Restated Colleton River Plantation Declaration of Covenants and Provisions for Membership in Colleton River Plantation Club.
Q All right, sir. In addition to Exhibits 7, 8 and 9, which you have before you, sir, I'm going to hand you several items from the group of documents which you produced today pursuant to the subpoena and see if they will help refresh your recollection as to Exhibit 9 that's before you. In particular, I'm going to hand you Exhibits 3-AA, 3-EE, 3-KK, 3-LL,

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3-MM -- I don't think these are in chron order but they are in the order in which they appeared in your grouping -- and ask you to look those over generally and then take another look at Exhibit 9 and see if you now better understand what Exhibit 9 is, other than just by its title.

A (Examines documents.) Other than by the titles, I have no idea what's in these documents.

Q All right, sir. When the documents which I just handed you from the Exhibit 3 series came to you and wound up in your file, did you read them at any point?

A Yes.

Q All right. So there was a point in time when you were familiar with them, but you're not familiar with them today?

A Correct.

Q I understand that. I'll just take them back and set them aside for the moment and ask you to turn back to Exhibit 7 and have Exhibit 8 handy. With your background, even though it was transactional and not primarily litigation, I'm going to assume that you have some idea of how Exhibit 7 is structured; and if not, I'll be

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glad to explain it.

For example, in Exhibit 7, your answer to the amended complaint, in item number two on page one you say, "Lee admits Paragraph 3." And that has reference, of course, to our amended complaint which is Exhibit 8. Do you understand that, sir?

A Yeah.

Q All right. So if you look at Exhibit 8 and look at paragraph three, you will see what you are admitting by the statement in Exhibit 7 that "Lee admits Paragraph 3."; correct?

A Yes.

Q All right. Now, I want to look at the next item of your answer, item three -- or paragraph three in which it states "Lee denies Paragraph 4.", referring to the amended --

A Where are we now, Counselor? I'm lost.

Q I beg your pardon. Exhibit 7 at paragraph three.

A Okay. "Lee denies Paragraph 4."

Q Right, having reference to Exhibit 8, which is the amended complaint. So if you would look at paragraph four of the amended complaint --

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A Okay.

Q -- you will see what you're denying there regarding paragraph four. So am I given to understand that you're denying that you're financially obligated to Colleton?

A Yes.

Q All right. In item number four on Exhibit 7, responding or answering the allegations of paragraphs five through 12 of the amended complaint, you refer to the language of the documents that are cited there in the amended complaint. Do you have any basis on which to think those documents are incorrectly cited in the amended complaint?

A I have no knowledge one way or the other.

Q All right. In item five of Exhibit 7, it states that "Lee denies Paragraphs 13 and 14." If you look at Exhibit 8 at paragraph 13, which is at the bottom of page three thereof -- did you find paragraph 13?

A I found it.

Q And your answer states that you deny that you executed deed in favor of Bluffton Properties, L.L.C., Series 1, dated December 31,

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2012 and recorded in the office of the Registrar of Deeds for Beaufort County, South Carolina, on May 28, 2013, in Book 0324, at the pages cited. As you sit here today, do you still deny that?

A I really have no knowledge because I did not record those deeds, and I just can't answer that question.

Q Do you deny that you executed the deed?

A If you show me the deed, I executed it. These documents, I believe --

Q I show you Exhibit 5 --

A Okay.

Q -- to your deposition, and I can also show you a copy of it from your documents, Exhibit 3.

A Okay. I executed this deed.

Q All right. What you don't know is how it got recorded and what the date might be for the recording?

A Correct.

Q I understand that.

All right. Exhibit 7 in paragraph five states that Lee also denies paragraph 14 of the amended complaint. So I ask you to refer to Exhibit 8, paragraph 14.

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(Whereupon, the witness complies.)

BY MR. JOHNSON:

Q Have you had a minute to read that?

A (Examines document.) I read it.

Q All right. As you sit here today, do you still deny what's set forth in paragraph 14 of the amended complaint?

A Yes.

Q On what basis?

A I don't believe that I'm liable with Bluffton Properties pursuant to the averment.

Q Pursuant to what, sir?

A The averment.

Q All right, sir. Did you comply with Section 7.1C of the Colleton covenants in connection with the transfer of title that's reflected in Exhibit 5?

A 7.1 --

Q C.

A I don't know what that is.

Q All right. Before you is Exhibit 9 which will contain that section.

A 7.1C?

Q Yes, sir.

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A Okay. (Examines document.) To the best of my knowledge, that notice was given.

Q By whom?

A My attorney.

Q Do you have a copy of that notice in your materials?

A I gave you everything that we have.

Q All right, sir. Well we will have to pursue that inquiry through him.

A Yes.

Q I'll represent to you that Colleton has no record of any such compliance with Section 7.1C.

A Okay.

Q And I'm not sure I said his name a minute ago, but I just for the record want to clarify. Your attorney, who you believe to the best of your either recollection or knowledge -- I'm not sure which you said --

A Both.

Q Both. -- who gave the notice under Section 7.1C of the covenants to Colleton was Mr. Burke?

A Or the attorney down here that Mr. Burke used for whatever purposes; he hired an

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attorney down here.

Q Do you know who that was?

A As I read through these documents -- and I'm going to make a guess -- that the name of the person you asked me, Vecchio, which I did not recognize who organized the L.L.C., may have been a local attorney, but I don't know that. That's a guess.

Q All right, I'll accept it as a guess.

A Calculated guess.

Q All right. Continuing with Exhibit 7, paragraph seven of Exhibit 7 states Lee denies Paragraphs 16 through 19 of the amended complaint. And am I correct that you continue, as you sit here today, to deny those paragraphs in the amended complaint?

A Correct.

Q In Exhibit 7 at paragraph nine, there's reference to the allegations of paragraph 21 and 22 of the amended complaint. Do you see that, sir?

A I'm going to have to ask you to please repeat that.

Q In Exhibit 7 at paragraph nine, there is reference to the allegation of paragraphs 21

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and 22 of the amended complaint. Do you see that, sir?

A Yes.

Q And in paragraph nine of Exhibit 7, you refer to the language of the documents that are cited in paragraph 21 and paragraph 22 of the amended complaint. Do you have any reason to believe that those paragraphs, 21 and 22 of the amended complaint, incorrectly cite the language of the documents that are referenced?

A I do not.

Q All right, sir. If you would, continuing with Exhibit 7, look at paragraph 10 which states that "Lee denies Paragraphs 23 and 24." Of the amended complaint?

A Yes.

Q With respect to paragraph 23 of the amended complaint and your denial thereof, as set forth in paragraph ten of Exhibit 7, as you sit here today, do you still deny the allegations in paragraph 23 of the amended complaint?

A Yes.

Q On what basis?

A (Examines documents.) I don't know

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what the address for Bluffton Properties listed on the deed is. I don't have that in front of me.

Q I place in front of you Exhibit 5 and call your attention, also, to the last page of Exhibit 5.

A That is Thomas Burke's address, 788 Jefferson.

Q Thank you, sir. So you would now admit paragraph 23; correct?

A Yes.

Q Continuing with Exhibit 7, in paragraph 10 it states that you deny, in addition, paragraph 24 of the amended complaint; do you see that, sir?

A My answer would be I really have no knowledge of what Section 8.4 of the covenants provides.

Q I beg your pardon, I think we are not at the same place.

A Okay.

Q I want you to start with Exhibit 7.

A I got it.

Q Turn to page two and you will find paragraph 10.

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A Denies paragraphs 23 and 24.

Q Right. And we discussed a minute ago paragraph 23. So now I want you to look in the amended complaint at paragraph 24.

A My apology, I got wrong one. That is correct.

Q So as you sit here today, you would change your answer in Exhibit 7 at paragraph 10 regarding paragraph 24 of the the amended complaint from a denial to an admission; is that correct?

A With a clarification.

Q All right.

A I do not know if the attorney for Bluffton Properties, Inc. would properly be the local attorney who organized it or Mr. Burke. It's probably a distinction without much meaning, but technically there could be that difference.

Q All right. And to clarify, in this answer you just referred to Bluffton Properties, Inc. --

A Bluffton Properties, L.L.C.

Q All right, sir. With that clarification, I understand what you're saying,

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I think.

Back to Exhibit 7, in paragraph 12 I see it states "Lee denies paragraph 26."

A I see that.

Q If you would look at paragraph 26 of Exhibit 8, please.

A Uh-huh (affirmative). And I denied that?

Q Yes, sir.

A Looks to be -- I remove that denial. It looks to be accurate.

Q So paragraph 12 of the answer in Exhibit 7 should be changed from a denial to an admission; correct?

A Correct.

Q All right, sir. Back to Exhibit 7 at paragraph 13, paragraph 13 of Exhibit 7 is referencing the allegations in paragraph 27 and 28 of the amended complaint, so if you would look at Exhibit 8 and pick up those two paragraphs, 27 and 28. In your answer at paragraph 13 to Exhibit 7 regarding paragraphs 27 and 28 of the amended complaint, Exhibit 8, you refer to the language of the documents that are cited. Do you have any reason to believe

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that what's stated in paragraphs 27 and 28 of the amended complaint is not accurately cited or reported?

A Counsel, I don't understand what 14.2(e) and (f) require so I can't really answer as to why it's denied. I see the statement here but I really don't know.

Q Look at Exhibit 9 and turn to Section 14.2(e).

A Okay. (Examines document.) I see that and my response would still be a denial because there was no designated user for Bluffton, L.L.C., to my knowledge.

Q Why was there not a designated user for Bluffton Properties, L.L.C.?

A Nobody was using the membership.

Q All right, sir. I refer you to the prior page.

A Prior page, you said?

Q Prior page of Exhibit 9, to Section 14.2 (a) (ii) entitled Joint Ownership and Ownership by a Legal Entity.

A I got it.

Q Have you had a chance to read that?

A No, but I will.

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Q Please do.
A (Examines document.) I've read it.
Q Did Bluffton Properties, L.L.C. Series 1 or in any configuration of Bluffton Properties, L.L.C. designate one of the owners of that L.L.C. as the designated user at Colleton?
A Not to my knowledge.
Q Who owns Bluffton Properties, L.L.C.?
A I don't know.
Q Who owns Bluffton Properties, L.L.C. Series 1?
A I don't know.
Q Who owned Bluffton Properties, L.L.C. Series 1 at the time of the signing by you of the deed, a copy of which is Plaintiff's Exhibit 5 on December 31, 2012?
A I don't know.
Q Who would know?
A Tom Burke.
Q Do you include any reference to Bluffton Properties, L.L.C. in any of your personal tax returns?
A I don't know. If it had any kind of profit or loss, it would be. Otherwise, it

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probably wouldn't be.

Q And why would it be in your personal tax returns if you did not have an ownership interest in it?

A It wouldn't be. I just don't know if it is or is not.

Q Are you an owner of Bluffton Properties, L.L.C.?

A I don't know.

Q Are you an owner of Bluffton Properties, L.L.C. Series 1?

A I don't know. Could I clarify this?

Q Please do. I'm not trying to put you in a corner. I just --

A I'm trying to save you the trouble of fighting through. There are numerous entities. I'm probably involved in 20, 25 corporations. There are numerous holding companies that may own one percent and be the effective owner of an entity. Bluffton Properties may have a one percent L.L.C. owner and that is the controlling owner of Bluffton Properties, L.L.C. Profits and losses would be passed through to the 99 percent owners if there were any. If not, it would probably file its own no-income tax return

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and that would be the end of it.

Q Since you don't know the answers to this set of questions, other than Mr. Burke, is there a person on the planet, to your knowledge, who knows?

A Yes.

Q Who?

A His name is William Revolinski. He is a CPA --

Q Spell his last name, please.

A R-E-V-O-L-I-N-S-K-I.

Q He's a CPA?

A Yes. He's with a company called Chortek, C-H-O-R-T-E-K.

Q You don't happen to remember his phone number offhand, do you?

A No. But --

Q You could give it to me?

A I can get it for you. (Looks on phone.) 1-262 522-8265.

Q All right. And you said he's in Milwaukee?

A I think it's Waukesha. It's a suburb of Milwaukee.

Q Can you spell that for us too, please.

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A Yes, W-A-U-K-E-S-H-A-W. And don't hold me to that either. No W on the end, just S-H-A.

Q Referring again to Exhibit 7 and having particular focus on paragraph 14 -- do you see that, sir?

A Yes.

Q -- it states that "Lee denies Paragraphs 29 through 34 and the wherefore clause". I'm not going to focus on the wherefore clause for these purposes. If you would look at Exhibit 8, beginning at paragraph 29, and one by one go through paragraphs 29 through 34, read each one of them to yourself and then tell me whether, as you sit here today, you still deny same or you simply don't know or you admit same or you want to clarify anything.

A I have no direct knowledge of 29. I don't know what Bluffton Properties did regarding 30 because I already had attorneys involved at that time. Number 31, I deny. It's a matter of law. I don't know. Number 32, deny. Are we going to 33?

Q Yes, sir.

A Deny.

Q And 34?

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A Deny.

Q All right, sir. I show you what's marked from the group of documents you produced to me this morning Exhibit 3-B and ask you to take a look at that and ask you to refer to Exhibit 7, on page two, sort of the center of the page, there is a heading entitled Affirmative Defense, subheading Accord and Satisfaction and below that is a paragraph enumerated as number one referencing the satisfaction of a prior judgment with Colleton; do you see that, sir?

A Yes.

Q And I simply inquire whether Exhibit 3-B is the document of prior judgment satisfaction that is referenced here in the Exhibit 7, page two, Affirmative Defense.

A I would assume so, but I don't know that.

Q All right, sir. Are you aware of any other prior judgment satisfaction with Colleton other than what's in Exhibit 3-B?

A I am not aware of any.

Q If you would turn over on Exhibit 7, page three at the very bottom of the page, there

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is a heading entitled Affirmative Defense with a subheading of Lack of Contract wherein you state Defendant's was not a member of plaintiff's club and therefore has no obligations as alleged and is not a proper party." Do you see that, sir?

A Yes.

Q Are you contending that after the deed from you to Bluffton Properties, L.L.C. Series 1, which I place before you a copy, Exhibit 5, that then you cease to be a member of the plaintiff's club, or are you contending that you have never been a member of the plaintiff's club?

A I ceased from that point in time.

Q At the point in time --

A Of Exhibit 5.

Q Exhibit 5. And you executed that deed according to page two of Exhibit 5 on December 31, 2012; correct?

A That is correct.

Q Do you know why it took so long to get from that date to the recording date stamped in late May of 2013?

A I do not know.

Q All right. On page four of Exhibit 7,

there is a heading entitled Affirmative Defense, Void Covenants and Contracts. I want you to read that short paragraph to yourself, please.

A (Examines document.) I have read it.

Q With regard to the first sentence thereof, please tell me each and every reason why the contracts, covenants and declarations which plaintiff seeks to enforce are not valid amendments to the relevant covenants, contracts and/or declarations and are therefore not enforceable.

A It's a legal conclusion from my attorneys. I do not know --

Q Well, tell me what your attorneys told you.

All right. Is the same true with the second sentence of that portion of page four of Exhibit 7?

A Correct.

Q All right. Continuing on Exhibit 7, page four, drop down to the next item with the heading of Affirmative Defense and a subheading of Mistake, and I'll read the critical part. It says, "The contracts and other documents plaintiff seeks to enforce should be rescinded

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as a consequence of mistake of fact by the parties". State for me what mistake of fact was made between you and Colleton.

A I can't tell you. This was not drafted by me. I will give you my opinion of what this means.

Q Yes, sir, please do.

A When I signed a satisfaction, it was in full satisfaction of all of the claims arising out of Colleton River from December 12th to the date of this satisfaction, and I paid a consideration which I didn't think I was obligated to pay because it was in the interest of settling litigation that I thought would be more expensive than the amount that I paid to secure the satisfaction.

Q All right. In your answer you gave a time frame that began with December 12th. Would that have been a simple misstatement and you meant to say December 31, 2012?

A Yes.

Q All right, sir. I show you again Exhibit 3-B. Is there any language in Exhibit 3-B that says what you just said?

A (Examines document.) Not specifically

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that I can see.

Q All right, sir. Are you aware of any other document that specifically says what you just described as your understanding of this payment to Colleton?

A These matters were handled by an attorney and that's all my knowledge is.

Q And that attorney was Mr. Burke?

A Mr. Burke.

Q All right. Thank you, sir. Continuing in Exhibit 7, page four, with the same subject, the heading marked Affirmative Defense with the subheading of Mistake, there you state that the mistake of fact by the parties was induced by defraud, deceit, misrepresentation, concealment or imposition by the plaintiff. Please state every fact upon which you base the statement or your attorney based the statement that this alleged mistake of fact by the parties was induced by the fraud, deceit, misrepresentation, concealment or imposition of Colleton.

A After December 31st of '12, as far as I understood, I was basically no longer a member of Colleton. Bills continued to be sent. There were allegations made that Colleton did not

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receive proper notice of the transfer. Bills continued to come to our office and a series of negotiations took place between my attorney and attorneys for Colleton River related to a number of matters like notice, tax bills, actual knowledge of Colleton River, de facto knowledge by Colleton River, just a myriad of issues, all of which led up to a satisfaction that I felt ended all matters with Colleton River to the date of that satisfaction.

Q Other than Exhibit 3-B again, are you aware of any other documentation of this satisfaction you described?

A No, I am not.

Q Back to Exhibit 7, bottom of page four, there's a heading entitled Affirmative Defense with the subheading of Rule Against Perpetuities. I understand that's a legal issue. Do you have any facts upon which you contend the rule against perpetuities can be applied to the Colleton documents and agreements referenced in the amended complaint?

A Just my general knowledge that the ability to bind somebody forever to a membership in a club would be a violation because it

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theoretically could go on for centuries.

Q All right, sir. Thank you. Go to next page, page five, please, of Exhibit 7 where there is at the top of the page a heading titled Affirmative Defense with a subheading of Set-off and/or Limitation on Damages. Please read that to yourself.

A (Examines document.) Yes, I read it.

Q There is a reference in that portion of page five of Exhibit 7 to, quote, "the equity paid by defendant and/or by the prior satisfaction of judgment", end of quote. Other than Exhibit 3-B, is there any other prior satisfaction of judgment, to your knowledge?

A No, there's not.

Q And where in that location -- Exhibit 7 refers to the equity paid by the defendant. Is that the sum that's mentioned in Exhibit 3-B of something slightly over $21,000?

A I can't answer that question. This was drafted by an attorney. I don't know.

Q Other than the sum that's mentioned in Exhibit 3-B, which is $21,503.87, are you aware of anything else paid by defendant you to Colleton regarding these disputes?

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A After that December 31st date of 2012, I don't know. It's just a matter of record.

Q All right, sir. Continuing with Exhibit 7 at page five, the next item is titled Affirmative Defense with a subheading of Violation of South Carolina Nonprofit Corporation Act.

A I have no knowledge of that act or anything with regard to what that act references. It's put in there by my attorney.

Q All right, sir.

THE WITNESS: Can I take a break for a second?

MR. JOHNSON: Absolutely.

(Whereupon, a short break ensued.)

BY MR. JOHNSON:

Q I was about to ask you a question concerning Exhibit 7, page five, the bottom two-thirds of the page under the heading of Affirmative Defense and subheading Violation of South Carolina Nonprofit Corporation Act, and you sort of proffered a quick answer. Just for the record, I want to show you what's marked as Exhibit 10, which is a copy of that act and see

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if that refreshes your recollection as to whether or not you know anything about those issues from a factual standpoint or not.

A The only factual -- the only knowledge, not even factual, I have of this is as related to me by an attorney, a South Carolina attorney.

Q All right, sir. Clear your deck there of everything except Exhibit 9. We talked about 7.1 (c); correct?

A Yes.

Q And we talked about Section 14 on designated users; correct?

A Yes.

Q And now I want to refer you to Section 19.2, page 49.

A Okay, thank you. I have it.

Q If you would just take a minute and read Section 19.2.

A (Examines document.) I see it.

Q In connection with your transfer of title to Bluffton Properties, L.L.C. Series 1, did you comply with Section 19.2 of Exhibit 9?

MR. THOMSON: Object to the form but please answer.

THE WITNESS: I believe so. I

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don't understand what the wording "offered for sale in the community at the price" means because that event never occurred. The lot was never offered for sale in the community.

BY MR. JOHNSON:

Q Okay. When you say you believe that you complied with 19.2, how do you believe you complied?

A I don't know what "offered for sale in the community" means. I believe I understood it to mean it was offering the property for sale to the community in general. I did not do that.

Q So you interpreted that Section 19.2 of Exhibit 9 to mean you did not have to give the club notice as described in 19.2; correct?

A Correct.

Q And, therefore, you did not do so; correct?

A I did not do so. I don't know if my counsel did it or not.

Q Mr. Burke?

A Yes.

Q All right. During the time that you, as you understood it, owned property at

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Colleton -- I believe it was 1993?

A Correct.

Q -- until the deed to Bluffton Properties, L.L.C. Series 1 at the end of 2012, a period of approximately 19 years or so --

A Correct.

Q -- did you ever serve on the board at Colleton?

A No.

Q Did you ever serve on any committees of owners of the board -- excuse me, owners in the community?

A No.

Q Did you ever attend any annual or special meetings?

A I believe I attended one annual meeting at a time when I happened to be down here but no special meeting.

Q All right. Were there ever any things that were put out for a vote by the members, the owners in Colleton that you did not vote on, that you know of?

A I would doubt that until the advent of e-mail where I could just send something back by e-mail that I ever did.

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Q That would have been within the last ten years?

A Probably.

Q I show you what's marked as Exhibit 3-Z. Again, this is from material you provided me, and there's a notation in the lower right-hand corner about this having been faxed on some date in 2006, signed by somebody named Kim. Was she an employee of yours at that time?

A God, that's back a ways. I think Kim was maybe a secretary or somebody who was at the copy machine or the front desk. She might have been a part-time employee, but there was a Kim. If she faxes, it was probably Kim, the copy girl.

Q And there's some handwriting on this form on Exhibit 3-Z; is that your handwriting?

A That's definitely my handwriting on those --

Q Fill in the blanks?

A Fill in the blanks, yeah.

Q All right. And your name appears at the bottom, sort of on the left?

A "Please print"; yeah, that would be me.

Q So that's one occasion where you

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responded to Colleton about something going on; correct?

A Exactly.

Q All right. I show you Exhibit 3-FF --

A Obviously before e-mail.

Q Yes, sir. Exhibit 3-FF, and there's handwriting in the upper right-hand corner of page one of that exhibit --

A That's my initials.

Q And it indicates approved on that date; is that correct?

A Yes.

Q Do you know if you sent that back to Colleton?

A No, I don't.

Q And similarly I hand you Exhibit 3-HH and ask if that's your handwriting with the approval on the date indicated there?

A Yeah, that's my signature.

Q All right, sir. Do you know if you sent that back to Colleton?

A I do not.

MR. JOHNSON: I don't have any further questions at this time. Mr. Thomson may have some questions for

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you.

CROSS-EXAMINATION

BY MR. THOMSON:

Q Joel, just a couple follow-ups and then we'll be out of here. Just for the record, you joined Colleton River Club in approximately 1993?

A Correct.

Q Okay. So is it fair to say for several years while an active member of Colleton Club, you paid the dues and assessment accordingly?

A To the best of my knowledge.

Q Okay. And then it was discussed earlier that you individually were sued by the club in a prior action in Beaufort County as reflected in Plaintiff's Exhibit 3-B, which resulted ultimately in a satisfaction release of judgment; is that correct?

A Yes.

Q Okay. And in that prior lawsuit in Beaufort County, South Carolina was for an alleged deficiency for dues and assessments at the club; is that right, was that the nature of that?

A My guess is that, yes, that's correct.

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Q And just from a timeline perspective, that judgment appears under Exhibit 3-B to be for the amount of approximately $21,503.87. It was filed on August 8th of 2013.

A Okay.

Q All right. And then the judgment was ultimately filed -- the satisfaction was ultimately filed, would you say, here on Plaintiff's 3-B on September 23, 2014?

A Yes.

Q Okay. And what I'm getting at, if I can show you a copy of Plaintiff's Exhibit 3-D; do you see that document?

A Yes.

Q Which indicates an acceptance of a settlement in the amount of $8,977.46, dated August 7, 2014?

MR. JOHNSON: Objection to form. You may answer.

THE WITNESS: The letter is dated August 27, '14. Yeah, this other date is a pay-by date.

BY MR. THOMSON:

Q And, first of all, this document is from an entity that it appears Tek-Collect; is

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that right?

A Correct.

Q Are you familiar with who they are?

A No.

Q Okay. And in the Re: line, what is this letter concerning?

A Colleton River Plantation Club.

Q And there's a reference number; read that into the record?

A 8052876-4.

Q And this was sent to Joel Lee care of Thomas Burke; is that right?

A Correct.

Q And read into the record what the balance due was.

A It was $34,265.95.

Q Okay. And do you recall making a payment in the amount of $8,977.46 related to this settlement?

A I recall a payment being paid. I doubt if it was being made by me.

Q Okay. Would it have been made on your behalf?

A Yes.

Q Okay. And with this letter being dated

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August 27, 2014, reflecting what we just discussed. And then the filing date of the satisfaction of judgment being September 23, 2014, is it your understanding the payment under Plaintiff's Exhibit 3-D corresponds with what was the filed satisfaction of the judgment in this case?

A Yes.

Q And in the prior case?

A Yes.

Q Okay. Do you have any idea as to why the balance due under the Plaintiff's Exhibit 3-D was for $34,265.95 versus what the judgment amount was filed back on August 8, 2013 under 3-B?

A I have no knowledge.

Q And you testified earlier that Joel Lee, that you, individually, conveyed the property at Colleton River, the vacant lot, on or about December 31, 2012; is that right?

A Correct.

Q And did you use any of the club's amenities after that conveyance date of December 31, 2012?

A I don't believe so.

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Q And just so the record is clear to tie this up later, you conveyed the lot to Bluffton Properties, L.L.C. prior to settling or satisfying the judgment in the prior lawsuit?

A Yes.

Q And going to Exhibit 8, which is plaintiff's amended complaint in this case, can you read into the record paragraph 29 out loud?

A "When Colleton became aware in or about July 2014 of the conveyance, it requested that Bluffton Properties, L.L.C. submit to Colleton a proposed designated user, on a Colleton form, in order to comply with the Colleton governing documents in the particulars noted hereinabove and in the governing documents."

Q Okay. And would you agree with me that Colleton's allegation of becoming aware in July of 2014 of the conveyance occurred prior to your satisfaction of the judgment in the prior case?

A Yes.

MR. THOMSON: Okay. That's all the questions I have. Thanks, Joel.

MR. JOHNSON: Just a couple of follow-ups.

REDIRECT EXAMINATION

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BY MR. JOHNSON:

Q With regard to Exhibits 3-B and 3-D, is it your testimony that you paid to Colleton or to somebody for the benefit of Colleton, you paid the 34-thousand-dollar-whatever-it-was-in-change number, the $8,000 number or the 21,000-thousand-dollar number or some different number towards Colleton in that time frame?

A What time frame, please.

Q The time frame of Exhibits 3-B and 3-D, which your counsel just asked you.

A The answer is yes.

Q You paid all three?

A No, I paid the amount of -- I don't know what the other two amounts --

Q You don't know about the 34,000 or the 21,000?

A I've seen them, but I can't recollect what they are at this time. All I remember was the settlement number and there was an outstanding amount at the time. Tom Burke came to me and said this is the number we can settle all the claims for, and I remember saying to him that's probably going to be the cost of

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litigation; let's just settle it.

Q All right, sir. Why do we have not have in the package of materials you brought on behalf of -- or in response to the subpoena copies of checks that were paid or other evidence of payment of these sums you're describing?

A I asked my office to put together everything counsel, my counsel asked me for, and and I reviewed those things and didn't look for any specific things that were or weren't there.

MR. JOHNSON: I would regard that as a deficiency in the response to the subpoena so I would like to request that that evidence be provided to us and that the deposition be held open for any follow-up questions that might be necessary, which we could probably do by telephone if it's inconvenient otherwise to Mr. Lee or you.

MR. THOMSON: For copies of checks paid?

MR. JOHNSON: Yeah, checks or other means of payment; wire transfer, credit card, cash, whatever.

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MR. THOMSON: Okay. We're happy to supply that.

MR. JOHNSON: I'm sure. Thank you. Before and after December 31, 2012 forward. So if you're in agreement with that, then I think we can stop the deposition here; and if we need to pick it back up, it will be a very short volume two. And you can discuss with him about reading and signing.

(Whereupon, it was agreed the witness expressly waived the right to read and sign the deposition transcript.)

(Whereupon, the deposition of Joel S. Lee was adjourned at approximately 2:22 p.m.)

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C E R T I F I C A T E

STATE OF SOUTH CAROLINA:

BEAUFORT COUNTY:

I, Cathy M. Knoettner, Certified Court Reporter and Notary Public in and for the above county and state, do hereby certify that the foregoing testimony was taken before me at the time and place hereinbefore set forth; that the witness was by me first duly sworn to testify to the truth, the whole truth, and nothing but the truth, that there upon the foregoing testimony was later reduced by computer transcription; and I certify that this is a true and correct transcript of my stenographic notes so taken.

I further certify that I am not of counsel to either party, nor interested in the event of this cause.

Cathy M. Knoettner, CCR

Notary Public

Beaufort, South Carolina

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

COLLETON RIVER PLANTATION CLUB, INC.,

Plaintiff,

vs. CIVIL ACTION NUMBER 2015-CP-07-02722

JOEL S. LEE,

Defendant.

----------/

The telephonic deposition of THOMAS BURKE, a witness in the above-entitled cause, taken pursuant to Notice and agreement, before Ceil Weser, Certified Court Reporter and Notary Public, at the Offices of Barry L. Johnson, PA, 10 Pinckney Colony Road, Suite 200, Bluffton, South Carolina, on the 13th day of February, 2018, commencing at or about the hour of 10:07 a.m.

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I N D E X

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THOMAS BURKE,

having been produced and first duly sworn as a witness, testified as follows:

DIRECT EXAMINATION

BY MR. JOHNSON:

Q Mr. Burke, good morning again, Barry Johnson for Colleton.

MR. JOHNSON: Before we get underway I want to make a little statement for the record. The deposition today is being taken by telephone by agreement of Counsel and the witness as to date, time, and place and manner.

BY MR. JOHNSON:

Q Mr. Burke, I know you are a lawyer, but I am required nevertheless to tell you that if you have any questions regarding the interpretation of any of my questions, you need to direct your questions about your questions to me and not to Mr. Thomson or anyone else.

Do you understand that, sir?

A Yes, I do.

Q If you need to take a break at any time, just let me know and we will take a break.

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MR. JOHNSON: Anything else you want to add to that?

MR. THOMSON: No, nothing from here at this time.

MR. JOHNSON: Okay.

BY MR. JOHNSON:

Q Just as a general background, Mr. Burke, I understand that Mr. Thomson has made available to you and that you ever available to you where you are copies of the exhibits to the deposition of Mr. Lee, is that correct?

A Yes, that is correct. I have them on computer Dropbox.

Q All right.

Have you reviewed them?

A I have reviewed the -- by Complaint I believe the Amended Complaint.

Q Yes, sir.

A I have seen some of the other documents before, but I did not specifically go through each of them and review them.

Q All right. Okay.

With that sort of general envelope, state your full name for the record, please.

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A It is Thomas Burke B-u-r-k-e.

Q And where do you live, sir?

A I live at 3585 East Norwich Court in St. Francis, Wisconsin.

Q Is that near Milwaukee?

A It is.

Q You have practiced as an attorney in Wisconsin for a long time?

A Yes, I practiced in Wisconsin as an attorney from about 1977 until approximately 2012 or 2013. At this point I don't practice. You know, I don't have individual clients. I am essentially retired from that business.

Q All right, sir.

Were you at one time licensed also in the State of Florida?

A Years ago. I took the bar exam I believe in 1982.

Q All right.

You no longer maintain licensure in Florida?

A No, I do not.

Q Or in Wisconsin?

A No, that is correct.

Q Did you resign from the Wisconsin bar?

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A I am actually in the process of doing that. I have submitted all the paperwork or most of the paperwork to do that. I am like a senior status or something.

Q All right.

A Like an inactive status.

Q Give us a brief summary of the areas of legal work in which you had professional experience as a lawyer?

A In the 35 or so years that I was engaged in the law business I had what you might call a general practice. So I did a number of things, including real estate, some commercial litigation, evictions, probate, whatever, that type of thing.

Q All right, sir.

Did you also have experience in business outside of the law practice during that time frame and to date?

A Experience? I mean obviously I worked with clients. I had various ventures that I have been involved with. So if that is what you mean by experience, I suppose the answer is yes.

Q Have you ever been involved in a business venture for development of a

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residential subdivision?

A No.

Q Have you ever had clients who were developers of residential subdivisions?

A No.

Q Have you ever visited Hilton Head Island or Bluffton, South Carolina?

A No.

Q Have you ever been licensed or sat for the bar to be licensed in South Carolina?

A No.

Q Do you know anything about Colleton River Plantation in Bluffton, South Carolina?

A Well, Mr. Johnson, that is such a general question it is hard to give anything but a very general answer.

Q I understand. That is all I am asking for; yes or no?

A Do I know anything about it?

Q Yes.

A Yes.

Q Do you know anything about Berkeley Hall Plantation in Bluffton, South Carolina?

A Yes. Anything at all, yes.

Q Do you know anything about Belfair

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Plantation in Bluffton, South Carolina?

A Yes.

Q All right.

In some of the documents which I have there is an indication that you either have or had an address at 788 North Jefferson Street in Milwaukee, Wisconsin.

Do you still maintain that office?

A I do.

Q Obviously what brings us together today is Mr. Lee, Joel Lee; and you are certainly acquainted with him, correct?

A Of course. Yes, I am.

Q How long have you known Mr. Lee?

A Oh, I have known Mr. Lee for at least 35 years.

Q Okay.

How did you come to know Mr. Lee?

A I was first introduced to Mr. Lee I believe by another lawyer who is now deceased, who was a friend of Mr. Lee and a friend of mine.

Q Was it at or about that time that you began to represent Mr. Lee?

A At or about that time, which I believe

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was approximately 1982. I actually rented some space in Mr. Lee's suite.

Q All right.

So your relationship with him was as tenant basically?

A Yes.

Q Did you subsequently start to provide legal representation to Mr. Lee?

A Yes, over the years I have represented Mr. Lee in certain matters.

Q Other than the tenancy circumstance you described, have you ever had a nonlawyer business relationship with Mr. Lee?

A I suppose the answer to that is yes.

Q Please explain.

A Over the years on a couple of occasions I think I purchased some property from Mr. Lee, some real property.

Q Yes.

A And principally that was our business relationship.

Q Do you have a relationship with Bluffton Properties, LLC?

A What do you mean by relationship? Am I an owner?

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Q Well, that would be one aspect, are you?

A No.

Q Did you have anything to do with the organization of Bluffton Properties, LLC?

A The answer is yes.

Q And what did you have to do with the organization of Bluffton Properties, LLC?

A This goes back to I believe 2012 or 2013. I may have -- I worked I believe with someone else in Mr. Lee's office who organized Bluffton Properties.

Q What was your role in that activity?

A My role was that I helped her organize Bluffton Properties.

Q In what state was it organized?

A It was organized in Nevada.

Q Why was that?

A The reason Bluffton Properties was organized in Nevada is because Nevada, unlike Wisconsin, had series LLC's, so that the properties that you referenced besides Colleton, I think Berkeley Hall --

Q Yes.

A And what was the other one?

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Q Belfair.

A Belfair, could be put into a single LLC.

Q All right.

Explain how the series works.

A Well, my understanding about how a series works is that instead of starting three separate LLC's, you can have one single LLC with separate compartments.

Q So they are like divisions of a corporation in terms of operational divisions?

A No. Divisions in terms of -- well, I suppose the answer to that is yes. I suppose the answer to that is yes.

Q Okay.

What is the benefit of a series versus a non-series LLC?

A Well, my understanding is is that they amount to separate entities under one umbrella.

Q Do they have separate tax ID numbers for each series?

A No. I mean I really can't -- the short answer to that is I don't know the answer to that question. I don't believe so.

Q Was there an operating agreement for

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Bluffton Properties, LLC?

A The short answer is I don't know, and I don't remember.

Q Excuse me a second, Mr. Burke.

(Whereupon, a short break was taken.)

BY MR. JOHNSON:

Q I assume you don't know if there is a separate operating agreement for each series of a series LLC in Nevada?

A I don't.

Q If there is an Operating Agreement for Bluffton Properties, LLC, who would have it if you don't know anything about it?

A It is possible I may have it in a file or it may be just could be in a file at the office.

Q Would that be something you would be willing to look for and if you find it send it to Mr. Thomson for us?

A Sure.

Q And of course if there are multiple ones for the different series, then you would send those as well, correct?

A Sure, yes.

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Q Do you have records as to the ownership status of Bluffton Properties, LLC and its series from its organization forward?

A I don't believe I do.

Q Do you have any knowledge of who the owner or owners of Bluffton Properties, LLC was or were when it was organized?

A Yes.

Q Who were its owner or owners when it was organized?

A Well, as I recall I believe that you met Mr. Lee or took Mr. Lee's deposition.

Q Yes, sir.

A I believe the impetus for -- one of the impetuses for creating Bluffton Properties and transferring those titles was for estate planning purposes for Mr. Lee; estate planning purposes essentially.

Q Okay.

A So that ancillary probates would not have to be commenced.

The problem as I understand it is that those properties, Colleton and the other properties, are essentially worthless or have a negative value.

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Q What do you base that understanding on?

A From conversations that I have had and things that I have seen as to the value of vacant lots in those developments.

Q And is that your current information or your information some years ago?

A It is my information some years ago up to I don't know how recently. Within the last year or two.

Q What were the sources of information that gave you that conclusion?

A I think at one point I looked on the internet on more than one occasion. On several occasions I may have looked on the internet to see what asking prices were for undeveloped lots and the indication was that people were offering those lots for sale and willing to actually come to the closing with a check for past dues and so forth.

Q Did you have any other sources of information?

A I may have had conversations with Mr. Lee perhaps or something of that nature, but other than that, no.

Q Are there any states other than Nevada

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in which Bluffton Properties, LLC is qualified to do business?

A No.

Q Did you have an opportunity to read the transcript of the deposition of Mr. Lee?

A I skimmed over the transcript of the deposition of Mr. Lee.

Q Okay.

Who would have the information as to the ownership of Bluffton Properties, LLC from its organization to date?

A Well, that would either exist with Mr. Lee or with me.

Q Okay.

A Or some file in the office.

Q My interpretation of Mr. Lee's deposition is that he kind of transferred knowledge of all the details of Bluffton Properties, LLC to you.

So again I ask if you would provide copies of that ownership information for Bluffton Properties, LLC from the date of its organization to date to Mr. Thomson? If you can put your hands on it or work with Mr. Lee to assist him in putting his hands on it?

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A Yes, I will do that.

Q Some of the information I had showed Mr. Lee's address as the same as your office address.

Do you all share office space or were you just serving as a sort of clearing house for his mail?

A No, we share an office, or I still office in his suite of offices.

Q Are you aware that there is an entity, an LLC entity that was organized in South Carolina by the name of Bluffton Properties, LLC?

A Yes.

Q When did you become aware of that?

A I became aware of that if I -- at least I became aware of that on Saturday, whatever the date was, the 10th, February 10 of this year when I saw that reference in Mr. Lee's deposition.

Q Okay.

The organizer of that entity is Ricahrd Vecchio, if I read that document correctly, V-e-c-c-h-i-o.

Do you have any knowledge or

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information about Mr. Vecchio?

A No.

Q Do you have any knowledge or information about his organization of Bluffton Properties, LLC?

A No.

Q When you organized or helped organize, helped somebody in Mr. Lee's office to organize, which maybe more accurately state your testimony, Bluffton Properties, LLC in Nevada, did you check to determine if there were any conflicting name uses in South Carolina?

A No.

Q Has Bluffton Properties, LLC Nevada been used for any purposes other than South Carolina real estate?

A No.

Q Have you handled tax returns for Bluffton Properties, LLC ever?

A No.

Q Do you know who has done that?

A I don't know if anyone has done it.

Q Okay.

A Because there is no revenue or value there.

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Q Okay.

In his deposition, Mr. Burke -- I can give you page and line if that is helpful?

A Sure.

Q As I understand he testified that you gave notice to Colleton of certain things that were required under a section of the covenants related to Colleton.

Do you have any knowledge or information about that?

A I don't understand the question. You said you were going to give me --

Q I can. I can give you page and line. Look at page 22 of the transcript of his deposition beginning at line 15 and if you would read over just to yourself, not out loud, through page 24, line 10. 22 at 15 to 24 at 10.

A Okay, I have read it.

Q And if you want to see exactly what is in the notice required in section 7.1 C, look please at Exhibit 9 of Mr. Lee's deposition and you can find that language.

A Counsel, the Exhibits that I have all have PX-3E, 3EE. I don't -- they are not labeled by that, but let me count and see if

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that works.

Q Look at the transcript of Mr. Lee's deposition on page 3, and it lists the Exhibits and there are numbers of them that are with the 3 with singular or double digits after them, yes, but there are also other exhibits that are mentioned and I anticipated that you would have those as well.

A Okay.

So what am I looking for?

Q Exhibit 9, the title of it is "Amendment to the Third Amended and Restated Colleton River Plantation Declaration of Covenants", et cetera.

A Okay. Unfortunately, the computer screen I am looking at doesn't give that, those numbers; and I have got more exhibits, some of which have exhibit tags, but they are too small to read. So you are going to have to give me a moment to pull that out.

Q Sure.

A Okay, I found it.

Q I think the section is on page 18 as numbered at the bottom of the body of that exhibit.

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A Please give me a moment. I am scrolling down to that.

Q Yes, sir.

A It says some pages failed to load. Hold on.

Okay, I am on page 18.

Q You are looking at two columns of text?

A That is correct.

Q And on the left side in the upper section is a subsection C, Transfer of Title, do you have that?

A I had it. I am trying to center it so I can actually read it. I have it.

Q So would you read that to yourself.

A I have read it.

Q Did you on behalf of Mr. Lee and/or Bluffton Properties, LLC provide to Colleton the notice that is required in that section?

A To the best of my recollection I did not.

Q All right, sir.

If you would go back to the transcript of Mr. Lee.

Do you have the transcript in written form or printed form or do you have it on your

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computer only?

A I have it in printed form.

Q I am trying to figure about our timing of moving back and forth between the transcript and some documents.

On page 24 of Mr. Lee's deposition transcript, lines 1 through 10, if you would read that to yourself.

A I read it.

Q Do you have any information that you engaged the services of Mr. Vecchio or any local, presumably local South Carolina attorney, with respect to the organization of Bluffton Properties, LLC?

A I have a comment, and that is that witnesses in depositions should never guess, even calculated guesses.

Q Yes, sir.

A But the answer is I have no such information and I know of such person Vecchio.

Q Did you engage a local attorney here in South Carolina to assist you in organizing Bluffton Properties, LLC?

A No.

MR. THOMSON: And Barry, if I may

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just so the record is clear, on those questions are you referring to the Nevada entity or you referenced that other one?

MR. JOHNSON: A good question.

The Nevada entity.

BY MR. JOHNSON:

Q I assume your answer is still no, is that correct, sir?

A With respect to the Nevada entity the answer is no.

Q Okay.

And just to clean that up as Mr. Thomson has suggested, with respect to the South Carolina entity Bluffton Properties, LLC you don't have any knowledge about that any way except what you learned when you saw the document on Saturday?

A That is correct. That is the total sum of my knowledge of Bluffton Properties, a South Carolina LLC.

Q On page 30 of Mr. Lee's deposition transcript at line 9 through line 20, if you would just read through that for me.

A I read it.

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Q We sort of covered this earlier, but Mr. Lee says he doesn't know who was the owner of Bluffton Properties, LLC series 1 at the time he signed the Deed, which we will get to in a little bit, but that you would know; and as I understand from your testimony earlier just to clarify this, you don't know in your current memory, but there is likely to be a file in your office or Mr. Lee's files that you could find that would clarify that information, is that correct?

A It is correct that there may be a file that contains information with the ownership as to how that was structured, if it was structured with regard to the overall idea of getting these properties -- properties in general that Mr. Lee owned in his own name out of his name for estate planning purposes, since I think -- since you have actually met Mr. Lee you see that he is now over 80 years old.

Q Yes, sir.

A At that time he was approaching 80 years old.

Q Yes, sir.

I am sorry, did you finish your comment

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on that?

A Yes.

Q Are you acquainted with a William Revolinski R-e-v-o-l-i-n-s-k-i?

A I am.

Q And what is your familiarity with him?

A He is a certified public accountant.

Q Has he, and I am referring to page 31 and 32 of Mr. Lee's deposition transcript, to your understanding has he done the accounting and tax return work for Mr. Lee?

A That is correct.

Q Have you worked with him in that regard?

A As far as Mr. Lee's personal tax return?

Q Yes, sir.

A No.

Q What about business returns?

A Yes.

Q Have you worked with Mr. Revolinski regarding tax returns for Bluffton Properties, LLC?

A No.

Q All right, sir.

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Turn to page 43 of the transcript of Mr. Lee's deposition.

Page 43, lines 7 through line 23, if you would read that to yourself.

A Okay, I will read it right now. I have read lines 10 through 23.

Q 7 through 23, please.

A I have read 7 through 23, excuse me.

Q Then going back to the same Exhibit you had on screen a few minutes ago, Exhibit Number 9, and I ask you to turn to that section 19.2?

A Yes, I have it in front of me.

Q All right, sir.

Did you give notice to Colleton as outlined in section 19.2?

A No.

Q All right.

You prepared the Deed, a copy of which is Exhibit 5 to Mr. Lee's deposition, correct?

A I would have to search for that Deed, but there was a Deed that I prepared from Mr. Lee to Bluffton Properties, that is correct.

Q If you would look in your computer stuff there you would find it at Plaintiff's Exhibit 5.

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A I realize that again the problem is that the Dropbox exhibits don't correspond to the numbers that are in the deposition. But give me a moment here and I will seek to find it.

Q Thank you, sir.

A Okay, I have it. I have I believe the document referring to -- and it has got Plaintiff's Exhibit 30 on the bottom of it.

Q All right.

30?

A 30. There is a yellow sticker that says Plaintiff's Exhibit 30.

Q That might be a 3 with an 0, rather than 30?

A That is right, there is a 3 and an O.

Q I think that is the same exhibit as Plaintiff's Exhibit Number 5, but I will need to verify that so I will need a second.

A Its recording information in the upper right-hand corner and a handwritten notation.

Q Yes, sir. The recording information is book 03242 at pages 2923-2924-A, is that correct?

A That is correct.

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Q So looking at Plaintiff's Exhibit 3 O from Mr. Lee's deposition, correct, and you prepared this Deed?

A Correct.

Q And on the second page there is a notation that you had prepared it and for it to be returned to you after recording in Milwaukee, is that correct?

A That is correct.

Q And you notarized that document?

A I did.

Q And the two witnesses, are they folks that worked in either yours or Mr. Lee's offices?

A They worked there at the time.

Q And this Deed is dated December 31, 2012?

A That is correct.

Q And that was the date of execution, right?

A To the best of my recollection, yes.

Q All right.

Now, did you investigate the requirements in South Carolina for lawyers to draw deeds for residential property in South

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Carolina and conduct closing's of title transfers of such properties in South Carolina?

A No.

Q Did you conduct a title examination of the subject property lot A to Phase 1, Colleton River Plantation before you prepared this Deed?

A Lot A 02?

Q Yes. Did you do so?

A No, I did not.

Q Was any title insurance issued?

A No.

Q Where did you get the description contained in this Deed from?

A I would imagine to the best of my recollection we got the legal description from the Deed that Mr. Lee received when he purchased the property in the early nineties.

Q Yes, sir.

In the third paragraph they are unnumbered. On page 1 of Exhibit 3 O there is a reference to the Colleton River Plantation Declaration of Covenants and Provisions for Membership dated in 1991 and as may be amended from time to time, do you see that, sir?

A I do.

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Q Incident to preparing this Deed Plaintiff's Exhibit 3 O, did you review the Colleton covenants from 1991 as amended from time to time?

A I do not believe I did.

Q All right, sir.

I am going to try to save us a minute of time and that may not be successful, so I may have to try something different. But if you would look on page 3 of the transcript of Mr. Lee's deposition where the Exhibit list is contained.

A Okay.

Q And actually that won't save us any time. I am sorry.

In the body of Exhibits that begin primarily with Exhibit Number -- PX Number, Plaintiff's Exhibit Number 3 and then some subsequent lettering, there are in addition to what you have already looked at as Plaintiff's Exhibit 9, which was the Amendment to the Third Amended and Restated Colleton River Plantation Declaration of Covenants, et cetera, there are various other documents contained in those Exhibits; and I will tell you that Plaintiff's

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Exhibit 3 to Mr. Lee's deposition were documents produced by Mr. Thomson from what he understood to be Mr. Lee's files, and they contained several of these documents concerning the organization and the complexity of the organization of Colleton River.

And I want to highlight them to you and just ask you if you reviewed them incident to preparing the Deed for Mr. Lee to Bluffton Properties, LLC, which is Plaintiff's Exhibit 3 O; in particular I am referring -- and I think I know what your answer is, so I am going to make this a longer question anticipating a way to save us sometime. Incident to the preparation of the Deed Exhibit 3 O from Mr. Lee to Bluffton Properties, LLC, did you review the document, a copy of which is Plaintiff's Exhibit 3 P, P as in Paul, which is the 1991 Declaration of Covenants and restrictions for Colleton; and/or Plaintiff's Exhibit 3 DD, delta delta, to Colleton River Plantation Annexation Agreement of November 1997; and/or Plaintiff's Exhibit 3 GG, gulf gulf, a letter to Colleton River Plantation Club Members dated April 1, 2008; Exhibit 3 EE, echo echo, a document entitled,

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"Description of Material Changes to the Declaration of Covenants," to which is attached an unrecorded copy of the Amendment to the Third Amended and Restated Colleton River Plantation Declaration of Covenants, et cetera, which became Plaintiff's Exhibit 9 after it was recorded; and/or Plaintiff's Exhibit 3 NN, November November, Second Amended and Restated Bylaws of Colleton River Plantation Club; and/or Plaintiff's Exhibit 3 QQ entitled, "Supplemental Agreement to the Colleton River Plantation Annexation Agreement", dated January 30, 2008; and/or Plaintiff's Exhibit 3 R, Romeo, a memorandum from Colleton River Plantation, dated April 25, 2011; and/or Plaintiff's Exhibit 3 JJ, Colleton River Plantation Draft of Long-Range Plan; and/or Plaintiff's Exhibit 3 L, a letter from Colleton River dated May 26, 2016 to Mr. Lee regarding undeveloped lot maintenance and cleanup.

So if your answer is no to all that, that is fine; if your answer is yes, then I can go back -- to any of it, and then I can go back and we can find out the part to which that might be yes.

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A The short answer is I may have in general looked at some of those documents, I say some of those documents may have been in a file, but not well organized, that Mr. Lee maintained.

Q All right, sir.

Did you use your summary review, if that happened, of those documents in any way to structure how you prepared the Deed, which is Exhibit 3 O, and the choice not to give Colleton any notices related to that Deed?

A That is a two-part question.

What is the first part?

Q I will have to paraphrase it slightly, and I will try to get it into one part.

Incident to your preparation of the Deed, which is Exhibit 3 O --

A Correct.

Q -- Did you rely upon any specific portions of what I will call the Colleton River documents, that group I just reviewed with you, to inform, guide, or assist you in preparing the Deed Exhibit 3 O?

A The general answer to that question would be no.

Q All right, sir.

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And is it therefore correct to say that you did not use what we have collectively called here the Colleton River documents to inform, guide, or direct you in making a decision as to whether or not to give Colleton River notice of the Deed Exhibit 3 O?

A Well, if I understand the question are you asking me did I make a conscious decision not to inform Colleton River of the transfer?

Q We can take the question that way for the time being, so what is the answer to that?

A The answer to that is no.

Q So is it then fair to conclude that you just simply did not consider the issue or the possibility?

A At the time the deeds were prepared -- it is fair to say that at the time the deeds were prepared the idea was to take these properties out of Mr. Lee's name and put them in another entity, so that for basically estate planning purposes.

Q Okay.

Can you locate a copy of Plaintiff's Exhibit 3 B, Bravo.

A Tell me what it is and I can perhaps

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pull it out.

Q Satisfaction and Release of Judgment.

A The short answer is I did see it here, but give me a moment.

Q Certainly, sir. I don't want to rush you.

A The short answer is you can't rush me, the computer will only go so fast.

Yes, I have in front of me a document that is Plaintiff's Exhibit 3B with a yellow sticker on it.

Q All right, sir.

And it is entitled, "Satisfaction and Release of Judgment", correct?

A Correct.

Q And it bears a signature of a Jason Ward?

A That is right, dated September 22, 2014.

Q Right.

And you and Mr. Ward had had some discussions as I understand it that resulted in that document, is that correct?

A I have no recollection of talking to Mr. Ward.

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Q Did you have correspondence?

A My recollection is that -- my recollection is that I dealt through a -- that we dealt through a collection agency.

Q All right, sir.

Would that be an agency called TekCollect?

A That is correct, TekCollect.

Q Do you have any documentation of those dealings with TekCollect?

A I may have.

Q Would you agree to look for them and to provide them to Mr. Thomson for us?

A Of course.

Q All right, sir.

Just to clarify, if I understood you don't have any recollection of discussions with Mr. Ward.

Did you have any Correspondence with Mr. Ward of a material nature relating to this Plaintiff's Exhibit 3 B?

A As I sit here today the answer is no. I have no recollection.

Q Would you agree to look for that and if you find it also to provide it to Mr. Thomson?

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A Yes, of course.

Q There are a group of Exhibits in Mr. Lee's deposition transcript that I am not going to ask you to pull it right yet, but they relate to his purchase in 1993 of this lot A 02 in Colleton.

Did you have any involvement with Mr. Lee in connection with that purchase in 1993?

A No, none whatsoever.

Q Did you review any of those documents, and for the record I would note they are in this transcript or a part of this transcript as Plaintiff's Exhibit 3 G, gulf; Plaintiff's Exhibit 3 E, echo; Plaintiff's Exhibit 3 W; Plaintiff's Exhibit 3 Q; Plaintiff's Exhibit 3 OO, all of which are 1993 time frame related to Mr. Lee's purchase of lot A 02 at Colleton.

Did you review any of those documents incident to preparing the Deed, a copy of which is Plaintiff's Exhibit 3 O to Mr. Lee's deposition transcript?

A The answer is I don't recall. I may have looked at them briefly, but they really had no particular -- the closing documents had no

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particular bearing on this transaction from two decades prior.

Q And just to clarify, I will tell that you one of those documents was a copy of the ultimate Deed from the developer of Colleton to Mr. Lee in 1993, and in your earlier testimony you had said you got the property description of the Deed in Exhibit 3 O from the Deed into Mr. Lee, so that would probably be one document from that cluster you may have seen?

A That is correct. I, obviously, we got the legal description from somewhere and the most likely place was from the prior Deed.

Q Right.

What was it that led you to conclude that the Colleton covenants, restrictions, rules, whatever were irrelevant to the transfer of title to the property lot A 02 from Mr. Lee to Bluffton Properties, LLC?

A I can't answer that question directly, because it asks for how I -- why I made a conclusion and it assumes that I made such a conclusion.

Q All right.

Why did you not investigate the

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requirements of Colleton related to transfer of title of lots within Colleton before providing the Deed from Mr. Lee to Bluffton Properties, LLC?

A Well, the short answer is given the fact that the idea was to get that property, those properties, not one specifically, out of Mr. Lee's name, individual name for estate planning purposes. I don't believe that we spent any time making that consideration.

Q All right, sir.

So would it be fair to say that if there were any Colleton requirements about transfers of lots within Colleton, you did not take them into consideration in connection with the Deed, a copy of which is Exhibit 3 O?

A I think it is fair to say that I didn't take them into consideration at the time that we prepared the Deed. Whether or not we would have had to at a later date was something that I just didn't consider necessary at that moment.

Q All right, sir.

The Deed Exhibit 3 O as we discussed is dated December 31, 2012, and the recording data on the upper right-hand corner of the first page

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shows it was recorded May 28, 2013, which is five months later.

What was the reason for the delay in recording?

A Well, you are asking me to guess; but I will make a guess. I am guessing that at that time we were cleaning things up as of the end of the year. This was one of the things that we did at that moment, and the next thing that happened was we put it in the file and let it sit there; and as I recall that file my recollection is, it is sort of my vague recollection, is that file sat on a file cabinet or credenza in my office for a long period of time, unlooked at and one day I picked it up and said oh, we have got to take care of this and we took care of it.

Q All right.

Mr. Burke, thank you. I don't have any further questions at this time.

Mr. Thomson may have some questions.

Oh, and with one caveat, when would you be able to review your records and to the extent necessary those of Mr. Lee and get these various documents to Mr. Thomson?

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A I will do it this week, I will do it in the next couple of days. If Mr. Thomson would be so kind as to just put it in an Email or you put it in an Email exactly what you want, between now and Friday I will hunt around and see what I can come up with.

Q All right.

MR. JOHNSON: Off the record.

(Whereupon, an off-the-record discussion was held.)

MR. THOMSON: I don't have any questions for you, Tom.

Thanks for your time this morning.

THE WITNESS: Thank you.

MR. JOHNSON: Thank you. Have a good day, sir.

THE WITNESS: Thank you.

THE COURT REPORTER: Mr. Johnson will take an original and an electronic and condensed copy of the deposition.

Mr. Thomson will take a pdf copy.

(WAIVED SIGNATURE.)

(Whereupon, the deposition of Thomas Burke was concluded at 11:14 a.m.)

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C E R T I F I C A T E

STATE OF SOUTH CAROLINA:

BEAUFORT COUNTY:

I, Ceil Weser, CSR and Notary Public in and for the above county and state, do hereby certify that the foregoing testimony was taken before me at the time and place herein before set forth; that the witness was by me first duly sworn to testify to the truth, the whole truth, and nothing but the truth, that thereupon the foregoing testimony was later reduced by computer transcription; and I certify that this is a true and correct transcript of my stenographic notes so taken.

I further certify that I am not of counsel to either party, nor interested in the event of this cause.

Ceil Weser, CCR

Notary Public

Beaufort, South Carolina

ELECTRONICALLY FILED - 2018 Dec 04 4:55 PM - BEAUFORT - COMMON PLEAS - CASE#2015CP0702722

No. 1186 P. 1

South Carolina Secretary of State Mark Hammond

Notice to Recipient:
This facsimile (telecopy) message is privileged and confidential. It is intended for the use of the individual named below. If you are not the intended recipient, or the person responsible to deliver it to the named recipient, you are hereby advised that any dissemination, distribution, or copying of this communication is prohibited. If you have received this facsimile message in error, please immediately notify the sender by telephone at 803-734-2170 and return this message to the sender by U.S. Mail.

To: Colleton River Club
Phone:
Fax: 843-815-7122

From: KF (SC SOS)
Phone:
Fax:

There are 6 pages transmitted including this cover sheet.

Comments: RE: Colleton River Club
(Articles 3 Amendment)

(803) 734-2170 Information
(803) 734-2158 Business Filings
(803) 734-2119 Notaries
(803) 734-1614 FAX
1205 Pendleton Street
Brown Bldg, Suite 525
Columbia, SC 29201

Mar. 3. 2015 10:51AM

SECRETARY OF STATE
FILED
AUG 17 1990
AM 7:18 PM 3:40

DECLARATION AND PETITION FOR INCORPORATION
APPLICATION MUST BE TYPEWRITTEN
DO NOT LITHO IN DUPLICATE

20-012045/90-019069 15:35:20 097
08-20-90 FILE $15.00
SECT OF STATE OF SOUTH CAROLINA

The undersigned declarants and petitioners.

NAME	STREET ADDRESS AND CITY
John P. Reed	~~320 Village at Wexford, Hilton Head, SC 29928~~ 8303 Indian Springs, Hilton Head, SC 29926
J. John Cardamone	~~11701 U.S. Hwy One, Ste. 101, N. Palm Beach, FL 33408~~
Robert B. Whitley	3565 Piedmont Rd., Ste. 205, Atlanta, GA 30305
Peter B. Millichap	~~3565 Piedmont Rd., Ste. 205, Atlanta, GA 30305~~
Thad D. King	

being two or more of the officers or agents appointed to act, avoid or manage the affairs of

COLLETON RIVER CLUB, INC.

a South Carolina non-profit organization which has been duly and regularly organized for the purposes hereinafter to be set forth, do affirm and declare:

That at a meeting of the aforesaid organization, held pursuant to the by-laws or regulations of the said organization, they were authorized and directed to apply for incorporation.

That the said organization holds, or desires to hold, property in common for a Religious, Educational, Social, Fraternal, Charitable or other eleemosynary purpose, or any two or more of said purposes, and is not organized for the purpose of profit or gain to the members, otherwise than is above stated, or for the insurance of life, health, accident or property; and that the three days' notice to the ISLAND PACKET a newspaper published in the County of Beaufort has been given that the aforesaid Declaration would be filed.

The said Declarants and Petitioners further declare and affirm:

FIRST. Their names and residences are as above given.

SECOND. The name of the proposed Corporation is Colleton River Club, Inc.

THIRD. The place at which it proposes to have its headquarters or to be located is J7C Village at Wexford (Street and Number) in the City of Milton Head Island

FOURTH. The purpose of the said proposed Corporation is to administer and manage the affairs and property of Colleton River Club, Inc., pursuant to the terms of the Master Deed and ByLaws of the Colleton River Club, Inc.

FIFTH. The names and residences of all Managers, Trustees, Directors or other officers, are as follows:

NAMES	TITLE	ADDRESS
John P. Reed	Director	62 N. Sea Pines Dr., HHI, SC
J. John Cardamone	Director	8303 Indian Springs, HHI, SC
Robert B. Whitley	Director	11785 Lake Shore Pl., N. Palm Beach, FL
Peter B. Millichap	Director	1007 Club Commons Cir., Atlanta, GA
Thad D. King	Director	3006 Margaret Mitchell Ct., Atlanta, GA

SIXTH. That they desire to be incorporated in perpetuity ~~for a number of years not exceeding~~

Wherefore your petitioners pray that the Secretary of State do issue to the aforesaid

COLLETON RIVER CLUB, INC.
(Exact Name of Association)

A Certificate of Incorporation, with all rights, powers, privileges and immunities, and subject to all the limitations and liabilities conferred by Title 33, Chapter 31, 1976 Code, and Acts amendatory thereto, to provide for the incorporation of Religious, Education, Social, Fraternal or Charitable Churches, Lodges, Societies, Associations, or Companies, and for amending the Charters of those already formed and to be formed.

(Sign here) John Cardamone
John Cardamone

Peter B. Millichap

Date Aug. 14, 1990

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FILING FEES—Churches, Religious Organizations, Fraternal, Benevolent, Educational, Literature and Veterans' Org.

Domestic $10.00

Other Non-profit Corporations $15.00

All fees are payable to the Secretary of State.

Two petitioners are all that is required.

State the purpose of your organization briefly in general terms. Do not attempt to include therein matter that should go into your by-laws, or specifically ask for certain powers granted under the law to all corporations such as the right to buy and hold property, to have a common seal, etc.

SHOULD ASSOCIATION BE OTHER THAN A CHURCH, HAVE THE SHERIFF ENDORSE THE PETITION.

THE AFFIDAVIT BELOW MUST BE COMPLETED BEFORE THE CHARTER WILL BE ISSUED.

AFFIDAVIT EXECUTED AS A PART OF THE DECLARATION AND PETITION FOR INCORPORATION OF A PROPOSED CORPORATION NAME COLLETON RIVER CLUB, INC.

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

The undersigned J. John Cardamone and Peter B. Millichap

do hereby certify that they are the officers or persons signing the petition for incorporation of a non-profit corporation having no capital stock, that all the facts in the petition are true and correct and that the corporation will not operate for a profit for itself or any of its members.

J. John Cardamone
JOHN CARDAMONE

Peter B. Millichap
PETER B. MILLICHAP

Sworn to before this 16th day of August, 1990

Notary Public for South Carolina

My commission expires Sept 6, 1994

NOTICE: IF IT IS FOUND THAT THE CORPORATION IS OPERATED FOR PROFIT, THIS MAY BE GROUNDS FOR REVOCATION OF CHARTER

SHERIFF'S SIGNATURE

PLEASE MAIL THIS APPLICATION WITH CORRECT REMITTANCE TO: SECRETARY OF STATE
P. O. BOX 11350, COLUMBIA, SOUTH CAROLINA 29211

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Application for Amendment of Eleemosynary Charter

Filing Fee $2.50

For Use By The Secretary of State
File No. 26639
Form No. _____
Fee Paid $ _____
C. B. _____
Date _____
Bk. 1989 Page 473

THE STATE OF SOUTH CAROLINA,
County of BEAUFORT

BJC 01/02 4973
91-00952 :/91-009525 15:07:00 004
06-28-91 PMT:$2.50
SECT OF STATE OF SOUTH CAROLINA

To the Secretary of State of South Carolina:

Jim Waddell
SECRETARY OF STATE
FILED
JUN 27 1991
PM

WHEREAS, There was issued by the Secretary of State a charter dated August 17, 1990

constituting and creating COLLETON RIVER CLUB, INC.

into an eleemosynary corporation, under the laws of this State, with its principal place of business at J7C Village at Wexford (Street and No.) *in the City of* Hilton Head Island,

County of Beaufort, *and the State of South Carolina, empowering it to engage in the business as set forth in Declaration and Petition.*

The undersigned, representing a majority of the duly elected and qualified members present after due notice, hereby certify that not less than five days notice (a copy of which is hereto attached) was given in the Not Applicable *a newspaper published in the County of _____ on _____, 19__ or (by written notice Certified mailed to each member) of a meeting of members on* June 17, 1991 *which notice stated the time and place of meeting and the purpose thereof.*

And further, that said meeting was duly held pursuant to notice, and a resolution was adopted by a majority vote as follows:

Insert Resolution

BE IT RESOLVED, that the Board of Directors do hereby deem it to be in the best interests of the Corporation to change its name from Colleton River Club, Inc. to Colleton River Plantation Club, Inc.; and

BE IT FURTHER RESOLVED, that for purposes of service of process, the location of the headquarters of the Corporation is no longer J7C Village at Wexford, but should now reflect c/o Stephen S. Bird, Bethea, Jordan & Griffin, P.A., 23B Shelter Cove Lane, Suite 400, Hilton Head Island, South Carolina 29928.

And, further, your petitioners certify that they have complied in all respects with Section 33-31-130, of the Code of Laws of South Carolina, 1976, and all amendments thereto.

Wherefore they pray that the charter of the said COLLETON RIVER CLUB, INC.

be so amended.

Dated at Hilton Head Island, SC *This* 17th *day of* June *19* 91

DIRECTORS OR AUTHORIZED MANAGING BOARD MUST SIGN BELOW
(Please type or print name opposite signature)

(Signature)	John P. Leed (Type or Print Name)
(Signature)	J. John Cardamone (Type or Print Name)
(Signature)	Robert B. Whitley (Type or Print Name)
(Signature)	Peter B. Millichap (Type or Print Name)
(Signature)	Thad D. King (Type or Print Name)
(Signature)	(Type or Print Name)
(Signature)	(Type or Print Name)

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Colleton River Plantation

June 3, 1991

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

To: All Directors
Colleton River Club, Inc.

Re: Special Meeting to be held on June 17, 1991

This notice is being sent to all Directors of the Colleton River Club, Inc. as the Club does not have any members to date.

Please be advised that a Special Meeting of the Board of Directors will be held at 10:00 a.m. on Monday, June 17, 1991 at the law offices of Bethea, Jordan & Griffin, P.A. located at 23B Shelter Cove Lane, Suite 400, Hilton Head Island, South Carolina.

The purpose of this meeting is to discuss amending the name of the Club.

P.O. Box 21608 J-76 Village at Wexford Hilton Head Island, South Carolina 29925
843.689.5137 Fax 843.842.8484

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Jim Miles
SECRETARY OF STATE
FILED
NOV 2 0 1995
AM PM
7 8 9 10 11 12 1 2 3 4 5 6

STATE OF SOUTH CAROLINA
SECRETARY OF STATE
JIM MILES
NONPROFIT CORPORATION
NOTIFICATION BY EXISTING CORPORATION

1. The name of the nonprofit corporation is
Colleton River Plantation Club, Inc.

2. Check the appropriate box as to state of incorporation:

a. [X] The corporation is incorporated in South Carolina.

b. [ ] The corporation is not incorporated in South Carolina but is qualified to do business in South Carolina.

3. The registered office of the nonprofit corporation is

8 Colleton River Drive			
	(Street & Number)		
Bluffton	Beaufort	SC	29910
(City)	(County)	(State)	(Zip Code)

The name of the registered agent of the nonprofit corporation at that office is
William E. Langley

4. If the principal office of the nonprofit corporation listed on the original declaration and petition for incorporation as a domestic nonprofit corporation or application for certificate of authority to transact business as a foreign nonprofit corporation is no longer the location of the corporation's principal office list the corporation's current address:

8 Colleton River Drive		Bluffton
(Street & Number)		(City)
Beaufort	SC	29910
(County	(State)	(Zip Code)

5. The corporation hereby elects to be designated as either a public benefit, religious, or mutual benefit corporation by checking the appropriate box. Check either box (a), (b), or (c) whichever is applicable. Check only one box.

a. [ ] The nonprofit corporation is a public benefit corporation.

b. [ ] The nonprofit corporation is a religious corporation.

c. [x] The nonprofit corporation is a mutual benefit corporation.

By: Samuel Buchanan 7 Nov. 1995
Samuel Buchanan, Chairman
Name Capacity

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed.

2. If space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk which will allow for expansion of space on the form.

3. This form must be accompanied by the filing fee of $10.00 payable to the Secretary of State.

Form Approved by
Secretary of State Jim Miles
June, 1994

95-026097BC

STATE OF SOUTH CAROLINA
COURT OF COMMON PLEAS
COUNTY OF BEAUFORT

COLLETON RIVER PLANTATION CLUB, INC.,

Plaintiff,

vs. CASE NO. 2015-CP-07-2722

JOEL S. LEE,

Defendant.

30(b)(6)
DEPOSITION OF: STEPHANIE KERR

DATE: May 3, 2018

TIME: 1:01 PM

LOCATION: Law Offices of Johnson & Davis, PA
The Victoria Building, Suite 200
10 Pinckney Colony Road
Bluffton, SC

TAKEN BY: Counsel for the Defendant

REPORTED BY: KELLY B. BAEKELANDT, Court Reporter

A. WILLIAM ROBERTS, JR., & ASSOCIATES

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Greenville, SC (864) 234-7030
Charlotte, NC (704) 573-3919

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APPEARANCES OF COUNSEL:

ATTORNEYS FOR THE PLAINTIFF
COLLETON RIVER PLANTATION CLUB, INC.:

JOHNSON & DAVIS, PA
BY: BARRY L. JOHNSON
The Victoria Building, Suite 200
10 Pinckney Colony Road
Bluffton, SC 29909
(843) 815-7121
Barry@jd-pa.com

ATTORNEYS FOR THE DEFENDANT
JOEL S. LEE:

FORD WALLACE THOMSON, LLC
BY: NEIL D. THOMSON
715 King Street
Charleston, SC 29403
(843) 277-2011
Neil.thomson@fordwallace.com

(INDEX AT REAR OF TRANSCRIPT)

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STEPHANIE KERR

being first duly sworn, testified as follows:

EXAMINATION

BY MR. THOMSON:

Q. All right. Good afternoon, Ms. Kerr.

A. Good afternoon.

Q. My name is Neil Thomson. We met a bit ago and -- and thank you for appearing today for your deposition. Have you ever given a deposition before?

A. No.

Q. Okay. I'll go over a few of the ground rules. I'm sure Mr. Johnson has -- has probably advised you of some of those as well. But what we have is a -- is a deposition for the case captioned Colleton River Plantation Club, Inc., versus Joel Lee that's pending in Beaufort County. Are you aware that there's pending litigation?

A. Yes.

Q. Okay. And this is a question and answer session where you've been sworn under oath. Pursuant to our Rule 30(b)(6) of the South Carolina Rules of Civil Procedure, you -- this is a -- a -- a deposition taken, you're the corporate designee for a certain group of topics, you're -- on behalf

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of Colleton River Plantation Club, Inc.

Are you aware of that?

A. Yes.

Q. Okay. So most of my questions -- or all of my questions unless I specify otherwise, I'm going to be asking you questions in which if you could respond on behalf of Colleton River Plantation Club, Inc. Do you understand that?

A. Yes.

Q. Okay. If you need to take a break at any time, just let me know, we can accommodate that. If you can please respond with all of your answers audibly, yes or no or explain it as opposed to just uh-huh or huh-uh, because Kelly needs to make an accurate transcript. Okay?

A. I understand.

Q. If you don't understand any of my questions, just simply ask me to rephrase and I'm happy to do so. And do you have any questions at this point?

A. No.

Q. Okay.

A. Thank you.

Q. What -- we'll start off with just a little background biographically of you. What's

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your current position at Colleton River Plantation Club, Inc.?

A. I'm the chief financial officer and the assistant treasurer.

Q. Okay. And I'm probably going to just refer to Colleton River Plantation Club, Inc. as Colleton River or the Club; is that okay?

A. Yes.

Q. All right. And how long have you been the CFO of Colleton River?

A. Just over four years, going on five years.

Q. Okay. And you're also the assistant treasurer?

A. Correct.

Q. Okay. Now, do you serve on the Club's board of directors?

A. I do not. I report --

Q. Okay.

A. -- to the general manager. I do give reports at the board meetings related to my duties.

Q. Okay. And how -- how often are the board meetings?

A. Generally once a month.

Q. Okay.

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A. Sometimes more than that.
Q. Okay. Now, prior to your position as CFO as the Club approximately a little over four years ago, were you with the Club in another capacity?
A. No, I was the chief financial officer of a different club --
Q. Okay.
A. -- prior to that.
Q. And was that here in Beaufort County?
A. It was.
Q. Okay. What was that Club?
A. Moss Creek Plantation Club.
Q. Okay.
A. I was there for six years.
Q. Okay. I have here a notice of your deposition. Have you -- did you receive a copy of this or have seen this before?
A. Yes.
MR. THOMSON: Okay. And let's go ahead and mark this as Exhibit 1.
(DFT. EXH. 1, Notice of Deposition for Colleton River Plantation Club, Inc.'s 30(b)(6) Witness, was marked for identification.)
BY MR. THOMSON:

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Q. Okay. My client is Joel Lee who has been sued by Colleton River. Are you familiar generally that a lawsuit has been filed?

A. Yes.

Q. Okay. Are you also familiar with the fact that Joel Lee has been sued previously by the Club?

A. Yes.

Q. Okay. Do you -- are you involved -- and this is more of a personal question as to Ms. Kerr as CFO, are you involved in any of the decision-making as far as what alleged defaulting lot owners are sued and who is not?

A. To the extent that I provide the information to the decision-makers relative to the facts.

Q. Okay.

A. I do participate in the process if that answers your question.

Q. Okay. And would information include the -- just the -- the status, the financial status, of -- of payment on assessments?

A. Correct.

Q. Okay. Is Joel Lee currently deemed by the Club to be in a -- in a suspended status?

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A. Yes.

Q. Okay. Were you the CFO of Colleton River when Joel Lee was sued previously by the Club?

A. Not at the beginning.

Q. Okay. Because that -- I think that lawsuit was filed back in two thousand --

A. 2012 --

Q. -- twelve? Okay.

A. Uh-huh.

MR. JOHNSON: Say -- say yes or no.

THE WITNESS: Yes, sorry.

BY MR. THOMSON:

Q. Okay. When -- were you the CFO of Colleton River back when a judgment was ordered against Joel Lee on the prior lawsuit?

A. I was the CFO when the judgment was awarded in what would have been I believe August of 2013.

Q. Great. And we'll -- we'll just go through this way so we have a -- a record here. I've got a copy of what appears to be a summons and complaint from 2012 captioned Colleton River Plantation Club, Inc., versus Joel Lee. Just so the record's clear, it's Case Number

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2012-CP-07-3525. Do you -- do you see this? And feel free if you want to take a look at that, but that's a copy of the summons and complaint.

A. Uh-huh.

Yes, I've seen this.

Q. And this was verified -- who -- who verified this complaint?

A. Tim Snyder, the previous chief financial officer.

Q. Okay. So that's who you -- you succeeded Mr. Snyder in that -- in that position?

A. Correct.

MR. THOMSON: Okay. Let's mark this prior 2012 complaint as Exhibit 2, please.

(DFT. EXH. 2, Summons, Verified Complaint, and Verification of Complaint, were marked for identification.)

BY MR. THOMSON:

Q. The next series of documents we referenced a minute ago as far as an order of judgment, you mentioned August of 2013. If you want to take a moment to review that document.

A. Okay.

Okay.

Q. All right. And is it your

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understanding that's -- that's what this document represents or is is an order of judgment signed by Judge Marvin Dukes referencing a judgment against defendant Joel Lee. There's a reference to a total debt of $21,503.87?

A. Correct.

MR. JOHNSON: Could I take a look at it, please?

MR. THOMSON: Yeah.

Okay. Let's go ahead and mark this as Defendant's Exhibit 3, please, the order of judgment from the -- from the prior lawsuit.

(DFT. EXH. 3, Order of Judgment, was marked for identification.)

BY MR. THOMSON:

Q. Okay. And is it -- it's your recollection you were the CFO at the Club by the time this judgment had been ordered?

A. Yes.

Q. Okay. So you came on sometime in --

A. July 29th, 2013.

Q. Okay. Just prior, okay, to this.

MR. THOMSON: Off the record a second.

(Off-the-record conference.)

BY MR. THOMSON:

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Q. The next document I want to put in front of you Ms. Kerr is -- there's a May 19th, 2014 execution against property in what appears to me to be part of the process of collecting on or enforcing the judgment we referenced with respect to Mr. Joel Lee on the prior lawsuit.

A. Correct.

Q. Okay. And on -- on the -- on the top page of this three-page staple is a document from the office of the sheriff of Beaufort County. It's stamped July 3rd of 2014. Referencing their efforts at -- or their investigation with respect to this execution against property. Do you see that?

A. Yes.

Q. Okay. Now -- and I ask these questions, were you part of the collection process or the enforcement of the -- of the judgment against Joel Lee on the prior lawsuit?

A. Yes, I was part of the process.

Q. Okay. With respect to the prior lawsuit, did Colleton River meet with Joel Lee, are you aware?

A. I don't believe so.

MR. THOMSON: Okay. Let's mark --

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before we go further, let's mark the execution against property and the sheriff's investigation, this three-page document, as Exhibit 4.

(DFT. EXH. 4, Letter dated June 30, 2014 and Execution Against Property, was marked for identification.)

BY MR. THOMSON:

Q. Okay. This -- are you familiar with this document that has previously been entered as an exhibit to a prior deposition. It is an August 27, 2014 correspondence from an entity called TekCollect sent to Joel Lee care of his out of -- his Milwaukee, Wisconsin attorney Thomas Burke?

A. Yes.

Q. Okay. Tell me who -- who was TekCollect and what was their role with respect to the collection process on Mr. Lee's prior judgment.

A. TekCollect is a collection company that we engage to help us identify and find and collect on judgments for people that we believed were no longer members to try to see what we could collect.

Q. Okay. And this document references a -- a reference number and then a balance due figure of $34,265.95; do you see that?

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A. Uh-huh.
Q. Is that a yes?
A. Yes, sorry.
Q. Okay. All right. Do you have any knowledge as far as how this balance due was computed with respect to what TekCollect was trying to negotiate?
A. That specific balance, I don't recall.
Q. Okay. And we went through earlier that the judgment against Mr. Lee from the prior lawsuit for the alleged arrearage on that one was $21,503.87; is that right?
A. I believe so, yes.
Q. And as the order references, post judgment interest shall accrue and -- and I guess what I'm getting to is with respect to the balance due as of August of 2014, which is a year later --
A. Uh-huh.
Q. -- would this -- would this reference post judgment interest or -- or anything -- or anything else?
A. It would likely have been interest at our 1.5 percent monthly rate plus any legal fees that we had incurred.
Q. Okay.

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A. Or collection costs.

Q. Okay. Did Colleton -- did Colleton River Club authorize TekCollect to negotiate and finalize the settlement with Mr. Lee on this prior judgment?

A. With respect to that specific judgment, yes.

Q. Okay. And it shows here a reference of an amount of $8,977.46; is that correct?

A. Yes.

Q. Okay. Did Colleton River receive payment -- the negotiated payment for the prior judgment sent by Mr. Lee and/or his counsel?

A. Yes.

MR. THOMSON: Let's mark the TekCollect document as Defendant's Exhibit 5.

(DFT. EXH. 5, Letter dated August 27, 2014, was marked for identification.)

BY MR. THOMSON:

Q. This next document, are you familiar with this August -- or, excuse me, September 23rd, 2014 filed Satisfaction and Release of Judgment with -- between Colleton River and Mr. Lee?

A. Yes.

Q. Okay. Did Colleton River receive a

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copy of this filed Satisfaction and Release of Judgment soon after the -- the file date, to your knowledge?

A. I believe we did.

MR. THOMSON: Okay. Okay. Let's mark this filed Satisfaction and Release of Judgment as -- as Defendant's Exhibit 6, please.

(DFT. EXH. 6, Satisfaction and Release of Judgment, was marked for identification.)

BY MR. THOMSON:

Q. All right. The next document that's been previously provided in discovery is a conveyance of title to the lot from Mr. Lee to a Bluffton Properties, LLC. Take a moment if you need to review that.

A. Okay.

Q. Okay. So the date of this title transfer or conveyance was December 31st, 2012, is that what it appears?

A. Yes.

Q. Okay. Which is two months after -- approximately two months after the first lawsuit against Mr. Lee was filed by the Club; is that right?

A. I'm sorry, can you repeat the question?

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Q. And the -- it appears just from a timeline perspective this title transfer occurred approximately two, two and a half months after the Club first filed the original lawsuit against Mr. Lee?

A. Yes.

Q. Okay.

MR. JOHNSON: Excuse me, months?

MR. THOMSON: Months. What did I say?

MR. JOHNSON: Off the record, please.

(Off-the-record conference.)

BY MR. THOMSON:

Q. And the original lawsuit, the complaint -- summons and complaint file date was October 9, 2012 --

A. Yes.

Q. -- is that right --

A. Uh-huh.

Q. -- on Defendant's Exhibit 2?

A. Yes.

Q. And then just looking at this conveyance of the title which occurred December 31st, 2012?

A. Yes.

Q. Okay. And it -- now, it's my

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understanding that the Club became aware of Mr. Lee's conveyance of the lot to Bluffton in or about July of 2014; is that correct?

A. That sounds correct, yes.

Q. Okay. And -- and I'm taking that question and referencing Paragraph 29 of the Club's amended complaint in this second lawsuit.

A. Okay.

Q. Okay. And I have some questions. If -- if you could explain to me how the Club became aware of the -- of the conveyance of the lot from Mr. Lee to Bluffton Properties.

A. We were made aware by our attorney. I don't recall whether it was verbally or how we became aware of it. I believe it was verbally in a meeting. He informed us that he had discovered the transfer in a -- in a -- performing a title search.

Q. Did the Club initiate any communications with Mr. Lee once it became aware that Mr. Lee had conveyed the lot to Bluffton Properties?

A. Directly with Mr. Lee, I don't believe so.

Q. Okay. What about any communications to Mr. Lee's counsel once the Club became aware in

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July of 2014 of a conveyance?

A. I don't recall.

Q. Okay. When did the Club first contact Bluffton Properties, LLC, with respect to getting an understanding on who the designated user for that lot would be?

A. That, I don't know. It would have been done through counsel as part of the collection process.

Q. Did the Club's knowledge and understanding that Mr. Lee had conveyed his lot have any impact on the Club's decision to negotiate enter -- and enter into a satisfaction and release of judgment on Mr. Lee's prior lawsuit?

A. Can you ask that again, please?

MR. THOMSON: Read that one back.

(The Court Reporter read the question commencing on page 18 line 11.)

THE WITNESS: I don't recall specifically because there was a period of time where we did not believe that Joel -- we were not aware that Joel Lee and Bluffton Properties were related or may have been related.

BY MR. THOMSON:

Q. So is the answer to my question no?

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A. I don't know.

MR. THOMSON: Okay. Okay. Let -- before we get too far ahead, let's mark the title -- real estate title and conveyance to -- as, what, Exhibit 7.

(DFT. EXH. 7, Title to Real Estate Colleton River Plantation, was marked for identification.)

BY MR. THOMSON:

Q. Okay. The next document -- can you identify this next document?

MR. JOHNSON: Can I take a look at that?

THE WITNESS: I don't know that I've seen it, but I understand what it is.

BY MR. THOMSON:

Q. Okay. And it -- evidencing conveyance of title from Colleton River Company, LP, this is back in September 20th of 1993, Joel Lee's purchase of that lot for $129,500?

A. (Nodding head up and down.)

Q. Is that a yes?

A. I see that, yes.

Q. Okay. Is that what this appears to memorialize?

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A. Yes.

Q. Okay. Is Colleton River Company, LP, still in existence?

A. I don't know that, but it's -- it would have been the developer.

Q. Okay. So -- so Mr. Lee bought a -- a lot from directly -- the -- the lot that's at issue in this lawsuit and in the first lawsuit he first bought from the developer in 1993; is that right?

A. That's my understanding.

Q. Okay. And do you -- have you -- does Colleton have records for Mr. Lee's payment history for assessments and so forth from his ownership in 1993 until he stopped making payments?

A. We don't have complete records because of the turnover. We have partial records.

Q. Okay. How -- how -- how -- does it -- does it go back only a certain amount of time or is it interspersed as far as the records?

A. I couldn't say without looking.

Q. Could you approximate how much money Joel Lee has paid the Club since he bought his lot?

A. I cannot.

Q. Is -- is there a way for you and your team to ascertain, you know, or get the best

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estimate on that?

A. Of what we have in our records, yes.

Q. Okay. I mean, for example, could you -- if you didn't have his particular payment history, does the Club still have documentation showing how much assessments were in '93, in '94, in '95, and so forth?

A. Yes.

Q. Okay. Are there any records that you have on Mr. Lee where he was delinquent in payments from 1993 up until 2012?

A. I believe so, yes.

Q. Okay. So he -- he did miss some payments?

A. Yes.

Q. Okay. And do you have documentation on that?

A. Late letters, I believe --

Q. Okay.

A. -- communications.

Q. Okay. So if -- after this deposition, and I can send out a formal request, but you're able to gather as much information as y'all reasonably can to provide a best estimate as to how much Mr. Lee has paid the Club since he's owned the

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lot?

A. Yes.

Q. Okay. And I ask that you please do -- provide that to Mr. Johnson, okay?

A. Yes.

Q. Do you -- does the Club have knowledge as far as the end point when Mr. Lee ceased utilizing the Club's amenities?

A. I believe we do.

Q. Okay. When was that?

A. It's in the -- it's in the documents that we gave you for the request for production I believe.

Q. Okay. It shows when he stopped -- and I'm not talking about stopped payment, but stopped using and -- and visiting the Club?

A. To the extent that there were charges for his amenity usage, yes.

Q. Okay. So it would be reflective of when the charges would stop on his billing statement?

A. Correct.

Q. Okay.

A. Which wouldn't necessarily exactly coincide with his discontinuation of use of the

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amenities, not all have charges.

Q. Okay. But that gives at least an approximation?

A. Yes.

Q. Okay. Since you are Colleton's corporate designee, can you provide any general background as far as approximately how many lots from the developer never went -- were never sold?

A. How many the former developer --

Q. Right.

A. -- still owns.

Q. Right.

MR. JOHNSON: I have an objection to form. Can you clarify which developer, because there were two.

BY MR. THOMSON:

Q. Okay. Well, we can go through -- if you can give me a little history on the record as far as the -- the multiple developers, the phases, and so forth on how many lots the developer or developers still own.

A. I can tell you what I'm aware of --

Q. Okay.

A. -- today. There is a former developer Bill Goodwin. My understanding is he was primarily

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involved on the Dye side, which was Phase II side of the development. He still owns today in varying entities approximately 109 lots.

Q. And let me stop you there. Phase II, how many lots were developed? If he still owns 109, how many actually were sold or conveyed?

A. I don't know that, but I have that information --

Q. Okay.

A. -- at the office.

Q. All right. So that covers Phase II.

A. Uh-huh.

Q. And now --

MR. JOHNSON: Just for the record, Dye is not D-I-E, it's D-Y-E.

MR. THOMSON: Okay.

THE WITNESS: And the 109 lots would be mostly on that side of the development, but he does own a few on the Nicklaus which is the other side. And that's N-I-C-K-L-A-U-S.

BY MR. THOMSON:

Q. And Nicklaus is Phase I?

A. Correct.

Q. Okay. And at -- let's -- let's stick with the Dye, the Phase II. Of the 109 lots that

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Mr. Goodwin and his group still own, are any of those listed for sale?

A. Very few.

Q. Okay.

A. At any given time, I -- I think fewer than five.

Q. Okay. With Phase II of the lots that were sold over the years, do you know approximately how many are still undeveloped lots versus how many are -- were built as homes?

A. Not offhand, but I have that information.

Q. You have that information, okay. And you can provide that --

A. Yes.

Q. -- upon request? Okay. Okay.

And the developer for the Nicklaus Phase I was whom? And that's okay if --

A. I don't know. I think it was -- I think I know who it is, but I don't know for sure.

MR. JOHNSON: It's on that deed.

MR. THOMSON: Okay.

BY MR. THOMSON:

Q. Colleton River Company, LP, we -- we suspect, would that sound right?

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A. I would be speculating --
Q. Okay.
A. -- but likely, yes.
Q. Okay. Do you have an idea of how many on Phase I the developer never sold and/or still owns?
A. Fewer than on the other side, but I don't -- I can tell you -- not right now, but we have that information.
Q. And do you know in Phase I how many of the developer-owned lots are currently listed?
A. I don't know that, but I can provide that.
Q. Okay. Would -- would you anticipate or -- or estimate that it's a few -- a small amount like in Phase II or do you know?
A. The answer I gave you before was for -- would be all --
Q. Combined?
A. Right --
Q. Okay.
A. -- combined.
Q. Okay. Gotcha. Does the Club have copies of covenants that will be applicable to 1993 for the Colleton River community?

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A. I don't know that, but I believe so.

Q. All right. When we sent the Club interrogatories, I'll read in just Interrogatory 25 where we ask: Please identify all documents or other information in plaintiff's possession, custody or control evidencing defendant's use of any amenities of plaintiff's Club at any time. And in part your answer is -- the Club's answer is: The records available to plaintiff only go back to May 31 of 2004.

Would the fact that the records only go back for 2004, would that also be true for the -- for the Club's governing documents?

A. I don't -- they're different -- they're stored in different systems with -- by different parties, so I don't think so.

Q. Okay. Okay. So is -- are you -- do you know one way or the other one whether the Club's got -- has retained a copy of -- of covenants going back to 1993?

A. I don't know affirmatively, but I believe so.

Q. Okay. Is that something you can verify and if you do -- and -- and provide a response one way or the other?

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A. Yes, we'd be happy to.

Q. And if -- and if you have covenants which would be -- whether they're 1993 drafted covenants or they're covenants that were in effect in 1993 when Mr. Lee bought his lot, if you could provide those to Mr. Johnson.

A. Okay.

Q. Do you know whether the covenant Paragraph 7.1C concerning transfer of title, whether that provision was in the covenants applicable back in 1993?

A. I don't know that.

Q. Okay. Similar question with respect to the designated user provision, Paragraph 14.2 -- or -- or that Chapter 14. Do you know one way or the other whether that -- that paragraph concerning designated users was part of the 1993 covenants?

A. I do not.

Q. You don't know one way or --

A. I do not know.

Q. -- the other? Okay.

With respect to amendments of declarations -- and I'm looking at Chapter 21.

MR. JOHNSON: Excuse me, could you be more specific about which version of what you're

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referring to?

MR. THOMSON: Yeah, it's Bates-stamped Colleton000061. And this is produced by your counsel and it's an amendment to the third amended and restated Colleton River Plantation declaration of covenants and provisions for membership in Colleton River Plantation Club, Inc. The -- The stamped date at the top is April 26th of 2007. And I'm going to Chapter 21 concerning termination and amendment of declarations.

BY MR. THOMSON:

Q. Okay. Who at the Club, would it be you or someone else who is charged with the responsibility of making amendments to the declaration?

A. It would be the board in conjunction with legal counsel.

Q. Okay. Which current board member in your estimation would be the one most knowledgeable who could provide information with respect to the amendment process of the -- the covenants?

A. I don't think that there would be any particular board member that would be necessarily more knowledgeable than the others, not at this point.

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Q. Okay. And -- and -- and my -- one of my goals despite the late start today is to make litigation as efficient as possible although sometimes it's not an efficient process and I just want to figure if there's a certain board member who may be more conversant with the amendment process than others, that's all but -- as opposed to having to depose more than one. But you're saying you -- you can't really rank one above the other?

A. Not board members, no.

Q. Okay. What is the Club's process with respect to providing its members updated and/or amended versions of the covenants over the years?

A. Any amendments or changes are communicated to the membership via multiple channels and the documents are available to the membership online posted in full on the website.

Q. Okay. Is -- is there a default method as far as mailing full sets of amended covenants to members automatically or is that upon request or what -- anything on that policy?

A. They are not mailed automatically. Purchasers receive a copy at closing --

Q. Right.

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A. -- otherwise the most recent documents are always available -- made available online and I'm sure upon request we would also provide a hard copy.

Q. And as far as notification methods of certain amendments over time, are -- how -- how are those communications made by the Club?

A. Depending on what is being modified, there are rules that require member input, namely voting on changes. So the communications could be in the form of information related to a ballot and the results of the ballot or e-mail communication or a letter.

Q. Do you know whether the -- and I'm -- I'm on Colleton -- Bates stamp Colleton 26 which is that same 2007 set of covenants, 7.1C called Transfer of Title. It's under the -- Chapter 7 is the use and conduct chapter. Do you know one way or the other whether this provision -- or when this provision was added to the covenants?

A. I do not.

Q. Okay. As far as being able to determine when a certain provision was added or part of an amendment to a set of covenants, how can I find out that information?

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A. I will need to ask. I don't know if or how that is documented.

Q. Okay. And a similar question would be can the Club provide information as to whether 7.1C, if it were an amended provision, whether that provision was one that would have been voted on by members or rather -- or rather added simply by the board, do -- would you know that one? Could you find that information out?

A. I don't know, but we could -- we would -- could look.

Q. Okay. And when you -- would you look within documents that the Club retains or would you go to the board or what -- where would you go?

A. I would most likely go to the counsel that assists us and specializes in our governing documents.

Q. Okay. Now, has that -- has that been Johnson & Davis over the years or a different firm?

A. Different firm.

Q. Okay. All right. Now, which -- which -- and this is a law firm?

A. Yes.

Q. Which law firm is that?

A. Hyatt & Stubblefield.

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Q. Okay. Where are they located?
A. Atlanta.
Q. Do you all have an existing relationship with them with respect to covenants?
A. Yes.
Q. Okay. And do you know when your relationship with Hyatt & Stubblefield started with respect to the covenant drafting or document -- you know, anything that I've been asking with respect to the covenants?
A. My understanding is it's a long history --
Q. Okay.
A. -- and they may have been actually the authors of our original covenants or at least may have participated in that process, but I don't know for sure.
Q. Okay. Now, I'm sorry, I may have asked this, but -- and I think you answered it, but as far as notification to members of amended sections, you all would provide that -- you update it on your website --
A. (Nodding head up and down.)
Q. -- is that right?
A. Yes.

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Q. Would you provide mailed copies upon request of the amended provisions to members?

A. Yes.

Q. And how about just automatically sent en masse to all members with respect to new or amended provisions?

A. That's not happened while -- while I've been employed at Colleton River, but I can't speak for what has previously been done.

Q. Okay. When the Club was notified in -- or I should say when the Club became aware in July of -- July of 2014 of Mr. Lee's conveyance of the lot to Bluffton Properties, LLC, did the Club inform the existing board as well of that conveyance?

A. We would have as part of our normal process, yes.

Q. Is that done by virtue of something in writing or at a board meeting or what's the process?

A. Yes, it's -- we cover delinquent account matters as we refer to them in executive session monthly at the board meetings.

MR. THOMSON: Okay. Off the record one second.

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(Off-the-record conference.)

BY MR. THOMSON:

Q. Okay. I'm going to show you a document here concerning Joel Lee and Bluffton Properties, LLC with the -- with the letterhead of Colleton River Plantation Club. What -- can you identify what kind of document that is?

A. It looks like a billing summary.

Q. Okay. And that's got -- is that something that Colleton Club generates?

A. Yes.

Q. Okay. And is that something you as -- as CFO or your team controls or puts together?

A. Yes.

Q. Okay. And this document here, it shows the lot in question A-02 which the physical address is 1 Boone Court; do you see that?

A. Yes.

Q. Okay. And the date range here runs from what to what?

A. August 9th, 2013 to November 30th, 2017.

Q. Okay. And -- and -- and this, again, just so when we're reading the transcript back, it's a line-by-line line item of -- from the Club's

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perspective, you know, non-payments from a particular -- on a particular lot, correct?

A. Correct.

Q. The status indicated in this document is called suspended; is that right?

A. Correct.

Q. Okay. And at the top here -- and it's addressed to -- to Milwaukee, but it's referencing Joel Lee/Bluffton Properties, LLC.

A. Correct.

Q. Okay. In this document is the Club notifying both Joel Lee and the LLC of -- of the alleged arrearage for this date range?

A. This is a document that we would have sent to counsel --

Q. Okay.

A. -- for their purposes.

Q. Okay.

A. This is not a regular bill format.

Q. Okay. Gotcha. Okay.

A. And the start date is the date after the initial judgment period.

Q. Okay. And, yeah, you answered my next question, so the -- the August of 2013 reflects the starting after which the initial -- the first

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lawsuit we discussed, that -- that period which was satisfied in the release of, so this is for the period subsequent to that --

A. Correct.

Q. -- is that right? Okay.

Now, for the notice to either Joel Lee -- well, let me ask it this way: Who would you send overdue invoices to on this lot from August of 2013 onward?

A. Normally to the owner of record.

Q. Okay.

A. Once we turn something over to counsel in the collections process, most of the communications comes from our legal counsel.

Q. Oh, from legal counsel to the -- to the owner of record?

A. Or through the -- through the court process.

Q. Okay. Okay. But prior to that -- well, were there any occasions do you recall when the Club sent bills or notices of delinquency or overdue invoices, whatever you want to call it, to either Joel Lee or Bluffton Properties, LLC, from August of 2013 onward?

A. We would have. That's part of our

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normal process --

Q. Okay.

A. -- is continue to mail to the owner of record.

Q. Okay. And -- and do you -- does the Club retain copies of those mail-outs of those notifications sent to the owners of record?

A. We don't.

Q. You don't, okay. Do you know in this circumstance when the Club started sending and then stopped sending bills or notices of delinquency to either Joel Lee or Bluffton Properties, LLC?

A. I don't know that they stopped. They would -- we would continue to give updates to our attorneys as we go through our legal process -- the legal part of our collections process.

Q. Okay. Was there -- when we go down to July of 2014 getting to the date in which the Club became aware that there was a conveyance of -- of the lot from Mr. Lee to the LLC, did the Club make any changes with respect to how they sent out or who they sent their notices of delinquency to?

A. We may have, I don't recall the specifics.

Q. Does the Club take a position as far

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as -- and we're looking at the date range from August of 2013 until present. Does the Club take a position as to a certain date range the alleged arrearage would be owed by Mr. Lee versus a date range when the alleged arrearage would be owed by Bluffton Properties, LLC?

MR. JOHNSON: I object to that, calling for a legal opinion.

BY MR. THOMSON:

Q. You can still answer.

A. At this point we consider them one in the same.

MR. THOMSON: Okay. All right. Let's mark this statement that we were discussing with the range of August of 2013 up through 2017 as the next -- Exhibit 8 I believe, right?

(DFT. EXH. 8, Colleton River Plantation Club billing summary for Joel Lee/Bluffton Properties, LLC, was marked for identification.)

BY MR. THOMSON:

Q. With respect to any lot owner delinquencies you've handled, have any of those owners of record, not just the Joel Lee Bluffton Properties lot but any delinquent property owners of record, have any of them offered to convey the

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property to the Club, back to the Club as a means of either satisfying or partially satisfying a delinquency?

A. Yes.

Q. Okay. And what has the Club -- has the Club accepted any of those offers?

A. Not to my knowledge.

Q. How -- approximately how many various delinquent lot owners does the Club have right now?

A. Right now total lot owners including improved -- some improved would be between 35 and 40.

Q. That's across both phases?

A. Right, predominately unimproved lots.

Q. Would an improved lot mean one with a -- a structure on it?

A. Correct.

Q. Okay. Is -- do you have a separate estimated number for delinquent lot owners who actually have a house on it?

A. Could you rephrase that question?

Q. You said about 35 or 40 for unimproved delinquent lot owners --

A. Uh-huh.

Q. -- as a -- as an estimate; is that

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right?

A. For total delinquent owners, yes, including improved and unimproved.

Q. Oh, that would include the improved?

A. Uh-huh.

Q. Okay. I'm sorry.

A. That's okay.

Q. And is it the Club's policy to --

MR. THOMSON: Strike that.

BY MR. THOMSON:

Q. How -- in those instances of delinquent lot owners across the board, how many of those has the Club filed lawsuits for?

A. We have a -- a process that we follow, a policy that we follow, and within a certain time frame depending on specific circumstances we do file a lawsuit.

Q. Okay. But do you have -- do you have a number as far as how many of those have gotten to that point in the process?

A. As far as our current list goes, at least 25.

MR. THOMSON: Off the record, Kelly, a second.

(Off-the-record conference.)

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BY MR. THOMSON:

Q. Okay. Ms. Kerr, this is a document taken from Beaufort County's website. I'm looking at Lot A-02 at -- at the Club referencing the owner here as Bluffton Properties, LLC, but are you familiar with this -- what this type of document is?

A. Yes.

Q. Okay. What is this?

A. It's the Beaufort County online record of the ownership information and tax -- real estate tax information related to this specific property.

Q. Okay.

A. Including their assessed value.

Q. And it shows at the bottom it looks like the grantor, the history of the transactions or conveyances; is that right?

A. Yes.

Q. Okay. The -- the dollar value under the market volume, do you know what -- how that's derived or where Beaufort County gets that?

A. My understanding is that that's the assessed value that's determined by the assessor.

Q. Okay. And the same -- I guess it looks like the numbers are the same on the land side in

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the market column, are those --

A. Correct.

Q. Okay.

A. Because it's not improved.

Q. Right. Okay. So there -- and with this particular lot, do you -- do you -- does Colleton -- the Club have any knowledge with respect to the apparent decline in assessed value of this lot?

A. No, this is the County's document.

Q. Okay. Okay. Has the Club been made aware as far as there being a decline from the County's perspective of the assessed -- of the assessment of -- of this lot and if -- if there are others of others?

MR. JOHNSON: Excuse me, can you repeat that? I just didn't hear it all.

MR. THOMSON: Can you repeat that, Kelly?

(The Court Reporter read the question commencing on page 43 line 11.)

MR. JOHNSON: Thank you.

THE WITNESS: The County doesn't communicate with us on that, but the information is available online.

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BY MR. THOMSON:

Q. Okay. Does the County's assessments of the unimproved lots at the Club have any impact on the Club's decision-making with respect to its policies and its dues obligations?

A. Not that I'm aware of.

Q. Okay. Does -- does the Club have any opinion as far as real estate valuation for its members and their -- their unimproved lots?

A. An opinion, no.

Q. Okay. Is it in the Club's best interest as a nonprofit corporation to have as valuable as a -- as a lot that -- a real estate valuation as is -- as is possible or does that -- does that matter to the Club one way or the other?

A. Could you repeat that?

MR. THOMSON: Would you repeat that?

(The Court Reporter read the question commencing on page 44 line 11.)

THE WITNESS: I'm not sure I understand the question.

BY MR. THOMSON:

Q. Okay. Since you've become -- since you've joined the Club, has there been an increase or a decrease in delinquencies with respect to

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assessments?

A. I can speak most easily to the past three or four years. There's been no significant change one way or the other.

Q. Okay. How about -- how about looking across going further back, has there been -- in the past ten years has it gone up, has it gone down, has it been similar?

A. My understanding is the Club saw relatively no issues with delinquency until the market downturn in around 2008, '09 time frame.

Q. Okay. And did the Club make any changes or amendments to its policies concerning assessment obligations in response to the 2008 economic downturn?

A. At that point in time, I don't know.

Q. Is that something you could find out?

A. I can ask, but I don't know that anyone would know.

Q. With respect to whether there have been amendments to covenants concerning assessment obligations, would that be something perhaps Hyatt & Stubblefield would have a history of -- of documentation on it?

A. We could ask.

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Q. Okay. Has there been any discussion by the Club with respect to consideration of being provided unimproved lots back from those delinquent lot owners who are willing to cede them to the Club?

THE WITNESS: Can you repeat that? I'm sorry.

(The Court Reporter read the question commencing on page 46 line 1.)

MR. JOHNSON: I have an objection to form.

BY MR. THOMSON:

Q. You can answer.

A. The topic has been discussed but no -- no action has been undertaken to move in that direction.

Q. Got it. Does the Club maintain documentation showing recent unimproved lot sales?

A. Yes.

Q. Okay. Is that something you can provide?

A. Yes.

Q. Does the Club have any plans for expansion of a Phase III or otherwise?

A. Not at this time.

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Q. Of the 25 or so -- you said -- is that right, there's about 25 pending lawsuits with respect to collection actions against delinquent lot owners at the Club?

A. Either pending or have -- in process or has already happened.

Q. Okay. And have any of those cases gone to trial in Beaufort County to your knowledge?

A. Yes.

Q. Okay. Do you -- I don't expect you to know this offhand, but would you know the -- the party names to those?

A. Not offhand, but we could provide that.

Q. You could provide that. Have you been called to testify at any of those trials?

A. No.

Q. Have -- it's been other Club executives who have testified at those trials?

A. We haven't had hearings, to my knowledge, that have involved Club testimony.

Q. Okay. Does the Club take any position with respect to whether its notification that Mr. Lee conveyed the property, whether that has any impact on Mr. Lee's financial obligations to the Club?

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THE WITNESS: I'm sorry, can you repeat that?

MR. JOHNSON: Objection to form.

(The Court Reporter read the question commencing on page 47 line 21.)

THE WITNESS: The Club's position is that because of the nature of the transfer, Mr. Lee is not absolved of his obligations to the Club.

BY MR. THOMSON:

Q. Now, is it the Club's contention that Bluffton Properties, LLC, failed to provide the Club and/or the Club board -- the Club's board a -- who -- or identify who the designated user was under -- under Chapter 14?

A. Yes.

Q. Okay. Is the Bluffton Properties, LLC's failure to identify a designated user, is there a provision in the applicable covenants the Club is pointing to that makes that failure -- that -- hold on -- that imputes liability on the former lot owner Mr. Lee?

MR. JOHNSON: Objection to form.

THE WITNESS: I think there are more than one section of the covenants that apply to the transfer. Not just the failure to designate user

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but also Mr. Lee's failure to notify the Club and his failure to keep current with his obligations up until the time that the Club was properly notified and a designated user identified that could be approved by the board of directors.

BY MR. THOMSON:

Q. Right. And -- and 7.1C goes to the Club's contention that Mr. Lee failed to follow that provision with respect to transfer of title?

MR. JOHNSON: Objection to form. You may answer.

THE WITNESS: Yes.

BY MR. THOMSON:

Q. Is that -- is that your understanding?

A. Yes.

Q. But -- and my question was more directed to the -- with respect to the designated user portion, whether it's 14.2 or any section in Chapter 14. Whether the LLC's failure to identify a designated user, whether there's any section in the covenants that assigns liability to the prior lot owner in such a circumstance?

A. I --

MR. JOHNSON: Objection to form. You may answer.

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THE WITNESS: I don't think it's that simple. I think it's a combination of -- a combination of the failure to comply with several parts of -- requirements of the covenants.

BY MR. THOMSON:

Q. Can you -- are you referencing Mr. Lee's failure or the LLC's --

A. Both.

Q. -- or both? Okay.

MR. THOMSON: I'll tell you what, we can take a five-minute break and then I think we're almost wrapped up.

THE WITNESS: Okay.

MR. JOHNSON: You don't need to stay, I want to put something on the record. I think in the flurry of --

(The witness exited the room.)

MR. JOHNSON: -- us getting started a little irregularly this morning, you and I had a conversation prior to questioning starting I don't think got on the record.

MR. THOMSON: Okay.

MR. JOHNSON: And the conversation was to the effect that we would agree or we did agree to reserve all objections except as to form until

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the time of trial or the proper use of the transcript and I just want to make sure that got on the record if we could.

MR. THOMSON: Sure.

MR. JOHNSON: Thank you.

(A recess transpired.)

BY MR. THOMSON:

Q. Does the Club consider Mr. Lee to be -- Joel Lee to be the designated user of the lot in question?

MR. JOHNSON: Objection to form. She may answer if she knows.

THE WITNESS: Mr. Lee purchased his property before I started, but I believe so.

BY MR. THOMSON:

Q. I mean, and -- and I'll follow up by saying Joel Lee was the lot owner of record from 1993 until December of 2012. We've established that, correct?

A. Yes.

Q. Subsequent to the conveyance of the property, Mr. Lee's conveyance of the property, does the Club take a position -- has the Club taken a position that Mr. Lee is deemed the designated user of that lot?

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MR. JOHNSON: Objection to form.

THE WITNESS: Yes, until he complies with the requirements of the covenants relating to the transfer.

BY MR. THOMSON:

Q. All right. A couple questions I asked you in written discovery. Interrogatory Number 20, I'll read it: Please identify other instances where plaintiff has sued certain individuals whom the Club contends is a quote designated user of a LLC lot owner. Please identify the LLC name and a defendant's name.

Answer: The plaintiff sued William C. Riley as designated user regarding Lots 166 and Lot 2X.

Are you familiar with that -- with that lawsuit?

A. No.

Q. Okay.

MR. JOHNSON: Number 20?

MR. THOMSON: That was Number 20.

BY MR. THOMSON:

Q. And Question 21: Of those instances in Interrogatory -- Interrogatory Number 20, please identify occasions when the individual sued by

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plaintiff did not expressly contract with or expressly notify the plaintiff as being the quote designated user for the LLC lot owner. And the Colleton River's answer was none.

So is it -- is it true that this current Joel Lee lawsuit, is this the first time to the Club's knowledge that the Club has sued someone in such a circumstance?

MR. JOHNSON: Objection to form.

THE WITNESS: I don't know.

BY MR. THOMSON:

Q. Okay. Some questions more generally about assessments. What -- what is the Club charging its members with respect -- are the assessments --

MR. THOMSON: Strike that. Let me start over.

BY MR. THOMSON:

Q. For Colleton River, do the assessments comprise of Club dues and does it comprise of association HOA type dues or give me a sense of what the assessments are comprised of?

A. The -- everything is owned and operated by the Club with -- on the property. The assessments related to property ownership are

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divided into categories based on how we do our accounting. The normal assessments are referred to as the operating assessment, the replacement reserve assessment, and we had a clubhouse assessment for a special project that ended last year.

Q. Okay. So that's assessments?

A. Uh-huh.

Q. So there's a separate obligation of members for -- for dues, monthly dues or no?

A. The operating assessment --

Q. Okay.

A. -- and the replacement reserve assessment are considered dues.

Q. Okay.

A. Just different --

Q. Okay.

A. -- verbiage.

Q. Right. Now, what about, you know, cart fees, Club charges in the pro shop, what -- are those separate?

A. Those are separate usage fees.

Q. Okay. And there's -- there's a separate obligation to keep current on those charges --

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A. Correct.
Q. -- and fees? Okay.
So the operating assessments, that was one category?
A. Correct.
Q. Or -- okay. And that includes monthly dues?
A. Semiannual.
Q. Semiannual?
A. Uh-huh.
Q. What else is included under the operating assessments column or is it just the semiannual dues?
A. It's the semiannual dues.
Q. Okay. What about payment for, you know roads, you know, sidewalks, common elements that are typically for HOAs and POAs, you know, what -- what -- what's that under?
A. Predominately the replacement reserve assessment.
Q. Okay.
A. But all of the assets, all of the infrastructure, all of anything Club or POA is -- is one set of -- one set of ownership, one set of --

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Q. Uh-huh.
A. -- amenities.
Q. Right.
A. It's not -- there's no differentiation between POA and Club, it's all the same.
Q. It's all the same?
A. Uh-huh.
Q. Is it all the same entity --
A. Yes.
Q. -- the Club, it's called the Club?
A. Yes.
Q. Okay. And, what, Club members are charged how often for the assessments?
A. Semiannually.
Q. So is that twice a year?
A. Yes.
Q. Okay. And then a clubhouse assessment would be like a special assessment?
A. Correct.
Q. Okay. Reserve fee, that's a separate assessment?
A. Correct.
Q. Okay. Separate -- and when I say separate, I'm talking about from the -- what -- the operating assessment is the -- is the --

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A. The operating assessment covers the day-to-day operating expenses of the Club.
Q. Uh-huh.
A. The replacement reserve assessment covers repair and replacement needs that are considered too large for regular operations.
Q. Uh-huh.
A. But it -- that simply accomplishes an accounting of the different functions of the Club. Again, it's all still one organization.
Q. And is -- does a -- if I were a member, I would get -- how -- how many bills would I get twice a year?
A. You would get one bill --
Q. Twice a year?
A. -- twice a year that includes the operating assessment and a replacement reserve assessment --
Q. As --
A. -- as different line items, but on the same --
Q. Different line items, I would send one check back?
A. Correct.
Q. Okay. Made out to the Club?

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A. Correct.

Q. Okay. Does -- is there a variance as far as certain lot owners have to pay a certain amount of assessments versus other types of lot owners paying a different level?

A. Not for regular members, no. There's a -- the former developer has a unique arrangement that was contract as part of the turnover agreement, but that's the only exception.

Q. What about any variation between those who have unimproved lots versus improved lots?

A. There's no difference.

Q. Is there any difference between assessments for people versus LLC's?

A. No. Property ownership is the only form of membership that we have.

Q. Okay. So you have a certain amount of property owners that are just set up and formed as LLC's?

A. (Nodding head up and down.)

Q. Is that a yes?

A. Yes.

Q. Can you give -- is that -- is that comprised 10 percent of the overall membership, 20 percent, 50 percent, do you know?

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A. I would say less than 50 percent.
Q. Okay.
A. Which would include trusts as well.
Q. Okay. Has the -- is there any provision in your governing documents with respect to variance on assessments owed based on amenity usage?
MR. JOHNSON: Objection to form.
THE WITNESS: No.
BY MR. THOMSON:
Q. Has the Club given any -- in its meetings, internal meetings, given any consideration or thought to offering variations or reduction of assessments based on lesser usage of its members?
A. Not that I'm aware of.
Q. And going back to Exhibit 8, what -- what is -- what is -- is it the account that's suspending, the membership or tell me what -- what -- what does the Club deem to be in a suspended state right now?
A. Suspended is a status that we apply in our operating system so that amenity usage charges cannot be applied to the account.
Q. Okay.

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A. In other words, dining becomes prohibited, use of the golf courses becomes prohibited because of the failure to meet the required obligations.

Q. Okay. If the owner of record for Lot A-02 came current on the alleged arrearage balance, what would the Club then deem the lot owner of record?

MR. JOHNSON: Objection to form.

THE WITNESS: If the property owner were to pay in full what's owed on the account, then he would be returned to a current status.

BY MR. THOMSON:

Q. Is that he or it?

A. Right.

Q. Okay.

MR. THOMSON: Okay. Before we get finished, I wanted to -- housekeeping mark the Beaufort County tax assessment document as Exhibit 9.

(DFT. EXH. 9, Beaufort County Tax Assessment for 1 Boone Hall Court, was marked for identification.)

MR. JOHNSON: I had that for Number 10. Maybe I missed something.

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MR. THOMSON: Oh, wait a minute. Yeah, maybe -- was there already a 9?

THE COURT REPORTER: No, there's not already a 9.

MR. JOHNSON: I'm sorry.

THE COURT REPORTER: It's okay.

MR. JOHNSON: What is that one? (Indicating.)

MR. THOMSON: This one is 8 and then -- here, take a look. (Indicating.) And here's 1 just so we can keep them together. (Indicating.)

BY MR. THOMSON:

Q. Ms. Kerr, is the -- are you aware of back when the Club was initially developed of any representations made to its members with respect to a requirement to build within a five-year period of purchase?

A. No.

Q. You're not aware of that?

A. No.

Q. Okay. Is this the first time you'd ever heard of that?

A. No, but I think the first time might have been yesterday when I was preparing --

Q. Okay.

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A. -- for this.
Q. So perhaps something you ran across in --
A. In your documents.
Q. -- within this litigation?
A. Yeah.
Q. Okay. Do you know whether Joel Lee was present at closing in 1993?
A. I do not know.
Q. And I -- I think I asked this in a number of ways earlier, but is it fair to say you're -- you're unsure one way or the other whether Sections 7.1 or 12.6 or 14.2, were any of those provisions included as written in the 1993 covenants?
MR. JOHNSON: Objection to form.
THE WITNESS: I don't know that.
BY MR. THOMSON:
Q. Okay. You don't know one way or the other?
A. Right.
MR. THOMSON: All right. That's all the questions I have. Thank you.
MR. JOHNSON: Regarding the exhibit numbers --

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MR. THOMSON: Yeah, did I miss mark --

MR. JOHNSON: -- it does not appear this 1993 deed got marked as an exhibit. It may not be important.

MR. THOMSON: Well, I'll go ahead and do it just because we talked about it. Thanks, Barry.

We'll make the 1993 deed I guess Exhibit 10.

(DFT. EXH. 10, Title to Real Estate, Colleton River Plantation, was marked for identification.)

MR. JOHNSON: Okay. Let me change my numbers here a little bit.

MR. THOMSON: That must have thrown you off that way.

MR. JOHNSON: That's what happened.

MR. THOMSON: Okay.

MR. JOHNSON: Okay. I have one question -- or one subject to question.

EXAMINATION

BY MR. JOHNSON:

Q. All right. Several of the questions that you were presented with today had a phrase with regard to the lots as being -- and I'm going

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STEPHANIE KERR - EX. BY MR. JOHNSON

to sort of paraphrase it a little bit but I think the content is clear -- that might have been offered, quote, back to the Club, end quote.

A. (Nodding head up and down.)

Q. Has the Club ever been in the lot development business?

A. No.

Q. All right. So did the Club sell the lots to any of the owners who were in the category of people who offered their lots to the Club in settlement in some way of their account?

A. No.

MR. JOHNSON: All right. Thank you.

MR. THOMSON: Very good. All finished.

(The witness, after having been advised of her right to read and sign this transcript, does not waive that right.)

(The deposition was concluded at 2:59 PM.)

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SIGNATURE OF DEPONENT

DEPONENT: STEPHANIE KERR
DEPOSITION DATE: May 3, 2018
REPORTER: KELLY B. BAEKELANDT
AWR JOB #: 18113
CASE CAPTION: COLLETON RIVER PLANTATION CLUB, INC. vs. JOEL S. LEE

(Please return both Signature of Deponent pages)

I, the undersigned, STEPHANIE KERR, do hereby certify that I have read the foregoing deposition and find it to be a true and accurate transcription of my testimony, with the following corrections, if any:

PAGE	LINE	CHANGE	REASON

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SIGNATURE OF DEPONENT (CONTINUED)

DEPOSITION DATE: May 3, 2018
REPORTER: KELLY B. BAEKELANDT
AWR JOB #: 18113
CASE CAPTION: COLLETON RIVER PLANTATION CLUB, INC. vs. JOEL S. LEE

PAGE	LINE	CHANGE	REASON

_____

STEPHANIE KERR Date

I, Kelly B. Baekelandt, Notary Public for the State of South Carolina at Large, do hereby certify that the deponent was advised of his or her right to read and sign said deposition both verbally and in writing. If the deponent fails to execute and return foregoing Signature of Deponent pages within the thirty (30) days allowed pursuant to the Rules of Civil Procedure, the original transcript may be filed with the court.

_____

Kelly B. Baekelandt
My Commission expires
June 16, 2026

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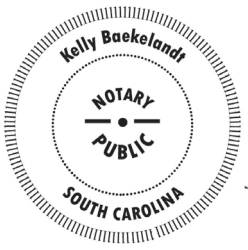
CERTIFICATE OF REPORTER

I, Kelly B. Baekelandt, Court Reporter and Notary Public for the State of South Carolina at Large, do hereby certify that the foregoing transcript is a true, accurate, and complete record.

I further certify that I am neither related to nor counsel for any party to the cause pending or interested in the events thereof.

Witness my hand, I have hereunto affixed my official seal this 3rd day of May, 2018 at Charleston, Charleston County, South Carolina.



Kelly B. Baekelandt
My Commission expires
June 16, 2026

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(No Information Requested)

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Jim Miles
SECRETARY OF STATE
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STATE OF SOUTH CAROLINA
SECRETARY OF STATE
JIM MILES
NONPROFIT CORPORATION
NOTIFICATION BY EXISTING CORPORATION

1. The name of the nonprofit corporation is
Colleton River Plantation Club, Inc.

2. Check the appropriate box as to state of incorporation:

a. [X] The corporation is incorporated in South Carolina.

b. [ ] The corporation is not incorporated in South Carolina but is qualified to do business in South Carolina.

3. The registered office of the nonprofit corporation is
8 Colleton River Drive
(Street & Number)

Bluffton	Beaufort	SC	29910
(City)	(County)	(State)	(Zip Code)

The name of the registered agent of the nonprofit corporation at that office is
William E. Langley

4. If the principal office of the nonprofit corporation listed on the original declaration and petition for incorporation as a domestic nonprofit corporation or application for certificate of authority to transact business as a foreign nonprofit corporation is no longer the location of the corporation's principal office list the corporation's current address:

8 Colleton River Drive		Bluffton
(Street & Number)		(City)
Beaufort	SC	29910
(County	(State)	(Zip Code)

5. The corporation hereby elects to be designated as either a public benefit, religious, or mutual benefit corporation by checking the appropriate box. Check either box (a), (b), or (c) whichever is applicable. Check only one box.

a. [ ] The nonprofit corporation is a public benefit corporation.

b. [ ] . The nonprofit corporation is a religious corporation.

c. [x] The nonprofit corporation is a mutual benefit corporation.

By: Samuel Buchanan 7 Nov. 1995
Samuel Buchanan, Chairman
Name Capacity

FILING INSTRUCTIONS

1. Two copies of this form, the original and either a duplicate original or a conformed copy, must be filed.

2. If space in this form is insufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk which will allow for expansion of space on the form.

3. This form must be accompanied by the filing fee of $10.00 payable to the Secretary of State.

Form Approved by
Secretary of State Jim Miles
June, 1994

95-026097BC

AFFIDAVIT OF SERVICE

State of SOUTH CAROLINA | County of BEAUFORT | County Court

Case Number: 2014-CP-07-02827

Plaintiff(s):
COLLETON RIVER PLANTATION CLUB, INC.

vs.

Defendant(s):
BLUFFTON PROPERTIES, LLC

2015 MAR 25 AM 10: 13
JEAN ROSEBEAU
BEAUFORT COUNTY, S.C.
CLERK OF COURT

For:
Jason Ward, Esquire
10 Pinckney Colony Road
Bluffton, SC 29909

Received by U Got Served, LLC on the 24th day of November, 2014 at 12:48 pm to be served on **BLUFFTON PROPERTIES, LLC. BY SERVING RICHARD VECCHIO, 720 MARBLE WAY, BOCA RATON, FL 33432.**

I, Ruth Amisial, being duly sworn, depose and say that on the **1st day of December, 2014 at 7:31 am, I:**

served a **CORPORATION** by delivering a true copy of the **SUMMONS, CIVIL ACTION COVERSHEET, VEFIRIED COMPLAINT AND VERIFICATION OF COMPLAINT** with the date and hour of service endorsed by me, to: **RICHARD VECCHIO** as **REGISTERED AGENT** for **BLUFFTON PROPERTIES, LLC.**, at the address of: **720 MARBLE WAY, BOCA RATON, FL 33432**, and informed said person of the contents therein, in compliance with state statutes.

Military Status: Based upon inquiry of party served, Defendant is not in the military service of the United States of America.

Additional Information pertaining to this Service:
11/26/2014 2:09 pm Attempted Service: 720 MARBLE WAY, BOCA RATON, FL 33432. KNOCKED NO ANSWER, NO CARS.

Description of Person Served: Age: 60, Sex: M, Race/Skin Color: White, Height: 5'10, Weight: 150, Hair: Gray, Glasses: N

I certify that I am over the age of 18, have no interest in the above action, and I am a Special Process Server, in good standing, in the judicial circuit in which the process was served.

State of Florida
County of Palm Beach
Personally appeared Ruth Amisial this 11th day of December 2014
and she presented FL/DL A524760759090 (11-09-184) for identification

Subscribed and Sworn to before me on the 11th day of December, 2014 by the affiant who is personally known to me.

NOTARY PUBLIC

MARLENE L. SHIELDS
Notary Public, State of Florida
Commission# EE 60986
My comm. expires Feb. 15, 2015

Ruth Amisial
CPS 1506

U Got Served, LLC
4400 North Federal Highway
Suite 210-9
Boca Raton, FL 33431
(561) 361-7111
Our Job Serial Number: AOA-2014001406

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EXHIBIT 18

BMO Harris Bank

PURCHASER'S RECEIPT - RETAIN FOR YOUR RECORDS

N O T N E G O T I A B L E

63846407

PAY Eight Thousand Nine Hundred Seventy Seven and 46/100**********

DATE	AMOUNT
09/11/2014	$8,977.46

TO THE
ORDER OF TEKCOLLECT

REMITTER
JOEL S LEE INVESTM

NOTICE TO CUSTOMERS

The purchase of an indemnity Bond will be required before an Official Check of this bank will be replaced or refunded in the event it is lost, misplaced or stolen.

OFFICIAL BANK CHECK

MEMO

FedEx Express **US Airbill**

FedEx Tracking Number **8704 5870 2121**

Form ID No. 0200 — **Sender's Copy**

1 From *Please print and press hard.*

Date 9/11/14 Sender's FedEx Account Number 245445415

Sender's Name Joel Lee Phone (414) 224-5070

Company Van Buren Management

Address 788 N. Jefferson St Ste 800 (Dept./Floor/Suite/Room)

City Milwaukee State WI ZIP 53202

2 Your Internal Billing Reference
First 24 characters will appear on invoice.

3 To

Recipient's Name Janet Bonet Phone (614) 495-1416

Company Tek Collect

HOLD Weekday — Print FedEx location address below. NOT available for FedEx First Overnight.

HOLD Saturday — Print FedEx location address below. Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations.

Address 871 Park Str
We cannot deliver to P.O. boxes or P.O. ZIP codes. (Dept./Floor/Suite/Room)

Address
Print FedEx location address here if a HOLD option is selected.

City Columbus State OH ZIP 43216

Ship and track packages at fedex.com
Simplify your shipping. Manage your account. Access all the tools you need.

4a Express Package Service * To most locations. *Packages up to 150 lbs.*

- [ ] FedEx Priority Overnight — Next business morning.* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [x] FedEx Standard Overnight — Next business afternoon.* Saturday Delivery NOT available.
- [ ] FedEx First Overnight — Earliest next business morning delivery to select locations.* Saturday Delivery NOT available.
- [ ] FedEx 2Day — Second business day.* Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx Express Saver — Third business day.* Saturday Delivery NOT available.

4b Express Freight Service ** To most locations. *Packages over 150 lbs.*

- [ ] FedEx 1Day Freight — Next business day.** Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
  FedEx 1Day Freight Booking No. CALL 1.800.332.0807
- [ ] FedEx 2Day Freight — Second business day.** Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.
- [ ] FedEx 3Day Freight — Third business day.** Saturday Delivery NOT available.

5 Packaging * Declared value limit $500.

- [ ] FedEx Envelope*
- [ ] FedEx Pak* — Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak.
- [ ] FedEx Box
- [ ] FedEx Tube
- [ ] Other

6 Special Handling and Delivery Signature Options

- [ ] SATURDAY Delivery — NOT available for FedEx Standard Overnight, FedEx First Overnight, FedEx Express Saver, or FedEx 3Day Freight.

- [ ] No Signature Required — Package may be left without obtaining a signature for delivery.
- [x] Direct Signature — Someone at recipient's address may sign for delivery. Fee applies.
- [ ] Indirect Signature — If no one is available at recipient's address, someone at a neighboring address may sign for delivery. For residential deliveries only. Fee applies.

Does this shipment contain dangerous goods?
One box must be checked.

- [x] No
- [ ] Yes — As per attached Shipper's Declaration.
- [ ] Yes — Shipper's Declaration not required.
- [ ] Dry Ice — Dry ice, 9, UN 1845 ____ x ____ kg

Dangerous goods (including dry ice) cannot be shipped in FedEx packaging or placed in a FedEx Express Drop Box.

- [ ] Cargo Aircraft Only

7 Payment *Bill to:*

Enter FedEx Acct. No. or Credit Card No. below.

- [x] Sender — Acct. No. in Section 1 will be billed.
- [ ] Recipient
- [ ] Third Party
- [ ] Credit Card
- [ ] Cash/Check

FedEx Acct. No. / Credit Card No. Exp. Date

Total Packages	Total Weight	Total Declared Value†
1	____ lbs.	$ ____ .00

†Our liability is limited to $100 unless you declare a higher value. See back for details. By using this Airbill you agree to the service conditions on the back of this Airbill and in the current FedEx Service Guide, including terms that limit our liability.

554

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Colleton River Plantation Club

April 1, 2008

Approved
4/08/08

Dear Colleton River Plantation Club Member,

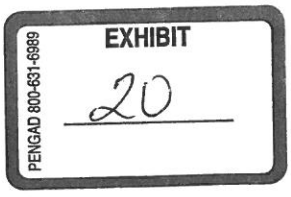
Enclosed is a copy of the terms of the Supplemental Agreement to the Colleton River Plantation Annexation Agreement that the Club and developer signed on January 30, 2007. Also enclosed is a copy of the terms of the original Annexation Agreement signed on November 18, 1997. The original agreement is the primary document allowing the Dye side (known as Phase II) of the Colleton River Plantation Club (CRPC) to be developed. The Supplement provides the terms for transfer of the amenities and common property in Phase II from Colleton River Development Company (CRDC or the developer), to CRPC and governs the relationship between the parties until the remaining residential property is sold. The exhibits, attachments and signature pages were not copied since they are quite voluminous. You are welcome to review all of these materials and they will be made available upon request.

CRPC and CRDC are operating the Club under the terms of this Agreement but it must be ratified by a member vote in order for all its terms to become permanent. A solicitation of your written vote is included in this package for that purpose.

The Supplemental Agreement is in accordance with the accelerated turnover provisions contained in Section 11 of the original Annexation Agreement and much of the document merely recites those terms. However, no contract written almost ten years ago could anticipate all the changes in the financial structure, market conditions and relationships that might occur in that time period. Therefore, there are a number of provisions that needed to be added through a process of negotiation over the course of the last eight months. For example, there was no separate replacement reserve assessment or capital contribution at the time the Annexation Agreement was signed in 1997. Under the Supplemental Agreement, CRDC will begin paying the Replacement Reserve Assessment on January 1, 2014 for those lots on which it is still paying full dues. The Capital Contribution Fee will be paid to CRPC on CRDC lots sold after December 31, 2012.

Some of the other key provisions of the Supplemental Agreement are:

B.1. In accordance with the terms of Section 11 of the Annexation Agreement and the Supplemental Agreement,, CRDC agrees to commence payment of full Dues on 89 lots and 20% of the Dues on 35 lots effective January 1, 2008. Dues are paid semiannually in advance and future Dues payments will be subject to increases allowable under the covenants – i.e., CRDC will be treated just as any other member of CRPC. The first such payment (in excess of $600,000) has been made.



Colleton River Plantation Club, Inc. • 58 Colleton River Drive • Bluffton, South Carolina 29910
Phone (843)837-3030 • Club Fax (843)837-6540 • Administration Fax (843)837-5882
www.colletonriverclub.com

B.3 CRPC agrees to maintain a lump payment option for any property owner who wishes to payoff the remaining Nicklaus clubhouse assessment.

B.6. This paragraph refers to additional covenants filed by CRDC on their unsold properties at the time the Nicklaus Clubhouse special assessment was passed in order to make that assessment applicable to their properties when sold. This language insures that nothing in this agreement will modify that obligation.

B.7. CRDC has paid CRPC for all funds due from Phase II delinquent members. CRPC is required to use diligent efforts to collect from the delinquent members and refund amounts collected, after expenses, to CRDC.

C.2. The common properties and amenities have been inspected by an engineering firm which found no design or construction defects. There are some repairs necessary that are being completed and funded under a separate agreement. The total cost of repairs is less than $100,000 and all are covered either by the Phase II Replacement Reserve Fund or additional contribution by CRDC depending upon the nature of the repair.

D.3. The seawall adjacent to the river which protects the Nicklaus' 17th hole, the community dock area, twelve J lots, four M lots and 16 Phase II riverfront lots is the property of the Club. Under the covenants in Phase I, the Club is responsible for doing all necessary inspection, maintenance and repair but the adjacent owners are responsible for paying the actual cost of these services. The Developer drafted but did not record Phase II riverfront covenants identical to Phase I. However, the Annexation Agreement clearly states the intent to develop Phase II in an identical manner to Phase I and that owners in both phases have the same rights, privileges and responsibilities. Under the law of South Carolina, and most other states, the seawall would be defined as a limited common element and those owners receiving the benefit of the use of that property bear the responsibility for paying the cost of maintaining it. Based on the last five years we are estimating the cost for the annual inspection and regular maintenance will be about $20,000 or approximately $4 per frontage foot. The Club owns 680 feet of the total of 6393 feet and will be paying its proportional share.

D.5. CRDC has an interest in developing some of the property in the area of the Dye cottages and the island connected to these lots by a causeway, for single family residences that could be described as town homes or cluster homes. If they submit a plan that the Board supports as being in the best interest of the Colleton River members the Board agrees to communicate that support to the members. Any development that is different than the covenants currently allow would have to be approved by a vote of 2/3rds of the members voting. The current number of platted lots is 305. The original Annexation Agreement allows up to 310 lots.

E.2 CRDC has voting rights for the lots on which it is paying full dues (currently 89). This provision is already in the Covenants. The Supplement Agreement prohibits CRDC from using its voting rights to amend any provision of this Agreement including the number of platted lots.

Colleton River Plantation Club

Feedback Form

1. **The Draft Long Range Plan captures our members desire to be a top-tier club?**

   ____ Strongly Agree
   ✓ Generally Agree
   ____ Neutral
   ____ Generally disagree
   ____ Strongly disagree

2. **What are the most important things you agree with in the Draft Long Range Plan?**
   That self is primary to current Members

3. **What are the most important things you disagree with in the Draft Long Range Plan?**
   Failure to recognize the significant negative impact that prior leadership created for CRP and an approach to correcting that image.

4. **Would you be interested in discussing the Draft Long Range Plan?**

   ____ in a small group (6-10 members)
   ✓ with a member of the Long Range Planning Committee

5. **What other comments do you have on the Draft Long Range Plan?**
   I believe CRP's financial situation, assessments, capital charges and future capital charges are the elephant in the room that is not discussed but will not go away. I don't have a solution but ignoring the issue is not helpful.

6. **Are you a**

   ____ Resident?
   ____ Homeowner? a local seasonal
   ✓ Lot Owner with ~~primary~~ residence less than 50 miles away?
   ✓ Lot Owner with ~~primary~~ residence more than 50 miles away? seasonal

Tiel S. Lee
Member Name (Please Print)

414-226-2017
Contact Number

Please mail, drop off or fax comments to:

Ms. Sharon Boulware
Colleton River Club
58 Colleton River Drive
Bluffton, SC 29910
Fax: 843-837-5882

I faxed this back
Kim 1/12/06

PLAINTIFF'S EXHIBIT 32

FEDGD 800-631-6989

Beaufort County, South Carolina

generated on 12/4/2018 6:22:18 PM EST

Property ID (PIN)	Alternate ID (AIN)	Parcel Address	Data refreshed as of
R510 009 000 0098 0000	00360380	21 BARNACLE RD, Hilton Head Island	11/9/2018

Current Parcel Information

Owner	JOEL S LEE REVOC LIV TRUST ARLENE A LEE REVOC LIV TRUST	Property Class Code	ResImp SingleFamily
		Acreage	.0000
Owner Address	788 N JEFFERSON ST SUITE 800 MILWAUKEE WI 53202		
Legal Description	LOT 11 GRASSLAWN S/D NO 2 PB11 PG38 PB13 PG10		

Historic Information

Tax Year	Land	Building	Market	Taxes	Payment
2018	$1,400,000	$348,600	$1,748,600	$23,668.81	$0.00
2017	$1,100,000	$357,100	$1,457,100	$21,520.84	$21,520.84
2016	$1,100,000	$357,100	$1,457,100	$20,570.86	$20,570.86
2015	$1,100,000	$357,100	$1,457,100	$20,373.46	$20,373.46
2014	$1,100,000	$357,100	$1,457,100	$20,105.65	$20,105.65
2013	$1,100,000	$357,100	$1,457,100	$19,420.20	$19,420.20
2012	$2,500,000	$397,836	$2,897,836	$18,424.54	$18,424.54
2011	$2,500,000	$397,836	$2,897,836	$18,252.33	$18,252.33
2010	$2,500,000	$397,836	$2,897,836	$18,028.17	$18,028.17
2009	$2,500,000	$397,836	$2,897,836	$17,613.62	$17,613.62
2008	$1,050,000	$270,600	$1,320,600	$17,169.27	$17,169.27
2007	$1,050,000	$185,400	$1,235,400	$15,407.00	$15,407.00

Sales Disclosure

Grantor	Book & Page	Date	Deed	Vacant	Sale Price
LEE JOEL S	3683 672	5/16/2018	Qu		$1
THE BARONY CO	528 1371	5/1/1989	Fu		$457,000
ENGARD BETTE J	410 1357	12/1/1984	Fu		$442,500
BACCHUS PROPERTIES LTD	342 31	12/1/1981	Fu		$263,200
BACCHUS PROPERTIES LTD	294 1630	1/1/1980	Fu		$160,000
		12/31/1776	Or		$0

Improvements

Building	Type	Use Code Description	Constructed Year	Stories	Rooms	Square Footage	Improvement Size
R01	DWELL	Dwelling	1966	2.0	04	1,552	
R01	DWELL	Dwelling	1966	2.0	04	2,038	
R01	ATTGAR	Attached Garage	1966	0	0		416
R01	CONCAPRN	Residential Concrete Apron	1985	0	0		200
R01	POOL	Residential Pool In Ground	1985	0	0		300

ROA-0582

RECORDED
2018 Jul -23 04:44 PM

BEAUFORT COUNTY AUDITOR

BEAUFORT COUNTY SC - ROD
BK 3683 Pgs 672-674
FILE NUM 2018037192
07/11/2018 01:39:29 PM
REC'D BY oevans RCPT# 897918
RECORDING FEES $10.00

Prepared By

Spenser Sotolongo
788 N Jefferson, Suite 800
Milwaukee, WI 53202

After Recording Return To

Spenser Sotolongo
788 N Jefferson, Suite 800
Milwaukee, WI 53202

Space Above This Line for Recorder's Use

SOUTH CAROLINA QUIT CLAIM DEED

STATE OF SOUTH CAROLINA

BEAUFORT COUNTY

Derivation: Book 13 at Page 10

KNOW ALL MEN BY THESE PRESENTS, That JOEL S. LEE ("GRANTOR") for and in consideration of the sum of One Dollar ($1.00), and no other consideration, in hand paid, hereby CONVEYS and QUIT CLAIMS, as tenants in common and not as joint tenants, to Joel S. Lee, or his successors, as Trustee of the Joel S. Lee Revocable Living Trust dated 8/7/2007, as amended from time to time, a 50% interest, and to Arlene A. Lee, or her successors, as Trustee of the Arlene A. Lee Revocable Living Trust dated 8/5/2016, as amended from time to time, a 50% interest (together, "GRANTEE"), each with an address of 788 N. Jefferson Street, Suite 800, County of Milwaukee, City of Milwaukee, State of Wisconsin, the following described real estate, situated in Beaufort County, South Carolina:

See Attached Exhibit A for Legal Description

To have and to hold, the same together with all and singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest, lien, equity and claim whatsoever for the said first party, either in law or equity, to the only proper use, benefit and behoof of the said second party forever.

ADD DMP Record 7/18/2018 03:43:43 PM
BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	SMap	Parcel	Block	Week
R510	009	000	0098	0000	00

EXHIBIT
23
PENGAD 800-631-6989

Grantor's Signature

JOEL S. LEE
Grantor's Name

Address: Grantee

788 N. Jefferson Street, Suite 800
Milwaukee, WI 53202

In Witness Whereof,

Witness Signature

Witness Signature

PAULINE ADAMS
Witness Name:

Address: 2602 N. 111th St.
WAUWATOSA, WI 53226

THOMAS B BURKE
Witness Name

Address: 788 N JEFFERSON ST #800
MILWAUKEE, WI 53202

STATE OF WISCONSIN)

COUNTY OF MILWAUKEE

I, the undersigned, a Notary Public in and for Milwaukee County, in the State Wisconsin, hereby certify that Joel S. Lee, whose name is signed to the foregoing instrument, and who personally appeared before me, and having satisfactorily proven to be the person whose name known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, executed the same voluntarily on the day the same bears date.

Given under my hand this 16th day of MAY, 2018.

Notary Public : SPENSER SOTOLONGO

My Commission ~~Expires~~: IS PERMANENT

SPENSER T. SOTOLONGO NOTARY PUBLIC STATE OF WISCONSIN

EXHIBIT A

All that certain tract, piece, parcel or lot of real property, with improvements thereon, situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, shown and designated as Lot No. Eleven (11), Barnacle Road, Grasslawn Subdivision No. Two (2), as shown on plat dated December, 1958, and recorded January 14, 1959, in Plat Book 11 at Page 38, revised January, 1961, and recorded in Plat Book 13 at Page 10 in the R.M.C. Office for Beaufort County, South Carolina.

Said lot is more particularly described as being bounded northeasterly by Lot Twelve (12) of said subdivision, southeasterly by lands of The Association of Land Owners of Port Royal Plantation, Inc., southwesterly by lot Ten (10), northwesterly by Barnacle Road, and being rectangular in shape fronting Ninety (90') feet on Grasslawn Beach with a depth of One Hundred Thirty (130') feet.

R 510-009-000-0098

TIMELINE ACCORDING TO DEFENDANT

OCT 9, 2012: CR sues Joel Lee in collection action for alleged unpaid dues (2012-CP-0703525).

DEC 31, 2012: Mr. Lee transfers title of property to Bluffton Properties, LLC.

AUG 8, 2013: CR obtains Judgment for $21,503.87 against Mr. Lee.

JULY, 2014: CR admits obtaining Notice of Transfer of Title from Mr. Lee to Bluffton Properties, LLC.

AUG 27, 2014: CR (via collection agency) serves Mr. Lee with written notice of a "balance" of $34,265.95. (This sum is greater than the Judgment + interest, as it is clear this sum contemplates continued charges, dues and assessments *post-Judgment*). Club notifies Lee of acceptance of offer of $8,977.46 as a "settlement", and if payment is not received "settlement" will be null and void and "balance" will be due immediately.

SEPT 12, 2014: **Mr. Lee pays the $8,977.46. This is a negotiated settlement to pay <u>all debts, liabilities, charges accrued up to that point (Aug 27, 2014)</u>.**

SEPT 23, 2014: CR files Satisfaction of Judgment (citing the original Judgment amount of $21,503.87).

NOV 7, 2014: CR files suit against Bluffton Properties, LLC (2014-CP-07-2827). CR relies on 12/31/12 date (transfer of title from Mr. Lee to Bluffton Properties, LLC).

MAY 12, 2015: CR obtains Order of Judgment against Bluffton Properties, LLC for non-payment of dues, fees etc. spanning from 12/31/12 to 5/12/15 ($81,374.56).

NOV 17, 2015: CR files subject suit against Mr. Lee: 2015-CP-07-02722 (2nd lawsuit vs Mr. Lee and 3rd lawsuit overall re: this lot); then files Amended Complaint on July 29, 2016.

EXHIBIT 24

PENGAD 800-631-6989

RECEIVED
Sep 20 2021
SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas

The Honorable Marvin H. Dukes, III, Master-in-Equity

Circuit Court Case No. 2015-CP-07-02722
Appellate Case No. 2020-001309

Colleton River Plantation Club, Inc.,……Respondent-Appellant,

v.

Joel S. Lee,……Appellant-Respondent.

CERTIFICATE OF COUNSEL

Pursuant to Rule 210, SCACR, I certify that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

Respectfully submitted,

FORD WALLACE THOMSON LLC

s/Ainsley F. Tillman
Ainsley F. Tillman, SC Bar No. 70551
Ainsley.Tillman@FordWallace.com
715 King Street
Charleston, SC 29403
(843) 277-2011

September 1, 2021
Charleston, South Carolina