

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE 3 CHISOLM STREET HORIZONTAL PROPERTY REGIME HELD ON APRIL 28, 2016

The meeting of the Board of Directors of the 3 Chisolm Street Horizontal Property Regime (hereinafter "Regime") was held on April 28, 2016 at 5:30 pm in Unit 302. Present were directors Dr. Martin Morad, Jack Burnett, Pete Wyrick, Shawn Daughtridge Wallace and Steven Bernard.

Upon the motion of Dr. Morad and seconded by Mr. Wyrick, the minutes of the meeting of January 20, 2016 were read and unanimously approved.

Upon the motion of Ms. Wallace and seconded by Dr. Morad the minutes of the meeting of the Board held on February 22, 2016 were read and unanimously approved.

Steven Bernard resigned as Secretary and the Board voted unanimously that Mr. Burnett would hold the positions of Secretary and Treasurer.

The Board then discussed the arrearage of David Barnett for the special assessment. Mr. Bernard advised the Board that Mr. Barnett's equity line of credit had closed on April 28, 2016 and that Mr. Barnett had a 3 day right of rescission of the loan. Mr. Bernard advised that if Mr. Barnett did not exercise the right of rescission a check for the balance of the arrearage would be mailed to Sentry Management next week. Mr. Barnett would then have paid the special assessment in full with interest.

The Board next considered the arrearage of Dr. Kent Scott. The attorney for the Regime had been in contact with Dr. Scott trying to work out some payment schedule. After discussion the Board agreed to the following:

1. Dr. Scott to enter into a Confession of Judgment for the full amount of \$82,000 plus interest at the rate of 10%.
2. The Confession of Judgment shall not be filed with the Court provided Dr. Scott is not in default of his obligations set forth herein.
3. Dr. Scott to pay the sum of \$2,000 per month on the arrearage of the special assessment for 24 consecutive months at which time the entire unpaid balance plus interest would be due and payable.
4. Dr. Scott is to maintain the monthly assessment in a current manner.
5. If Dr. Scott defaults in any of the payments provided in #3 and #4 above for more than 30 days, the Confession of Judgment shall be filed with the Court.
6. The Confession of Judgment shall contain an acceleration clause.

The Board next considered the issue of whether certain owners and/or residents were using their units in violation of Section 4 of the Master Deed by conducting commercial business activity in and from their units. The Board was very concerned about this issue and wanted to make sure that the units were only used for residential purposes. Mr. Wyrick commented that several years ago a resident Frances Hegenberger wanted to have a rug sale from her unit and that the Board at that time denied that request. Because the Board has no specific information regarding any unit being used for commercial uses, the consensus of the Board was that a letter should be sent to the residents suspected of using their units for commercial activity, advising them of the prohibition of using their units for commercial activity and requesting those residents to explain what use they were making of their units. Mr. Bernard agreed to draft the letter and circulate it for comments from other board members.

The Board next considered the violations of Section 13(i) of the Master Deed. Section 13(i) requires that any owner of a unit who wishes to sell or lease an interest in the unit provide written notice to the Board of the proposed terms of the transfer together with the names and address of the proposed transferee. The Regime then has 10 days after receipt of the notice to exercise its right of first refusal. There has been numerous violations of this section of the Master Deed. The consensus of the Board was to instruct Sentry management to send out a letter to all of the unit owners advising them of this section and further advising them that the Board will not act on its right of first refusal until it receives written notice as provided in the Section 13(i). Further, that the burden of complying with this section is on the individual owner of the unit and that a failure to comply with this section could result in a delay of their transfer.

The Board next considered a request by the Weeks to put a planter outside their door. A motion was made by Dr. Morad and seconded by Mr. Wyrick to approve of the planter. Ms. Wallace and Mr. Wyrick voted to approve the planter, Dr. Morad and Mr. Burnett voted in the negative and Mr. Bernard abstained. The motion was therefore denied.

Dr. Morad reported that Botany Bay the landscaper for the Regime had been fired and that Davey Ramirez had been hired to do the landscape work required.

The Board next considered the issue of the windows in the Gym Building. Historically the Regime had paid for the annual inspection and maintenance required to maintain the warranty for the windows. The Board requested and received an opinion from its counsel that the inspection, maintenance and repairs of the individual windows were an obligation of the individual unit owners and not of the Regime. It was the consensus of the Board that since there was no communication of this information to the individual unit owners and the time for the required inspection was upon us, the Board would pay for the current year's inspection but not for any repairs or other maintenance. A motion was made by Dr. Morad for the Regime to pay for this year's inspection but not pay for any future inspection, maintenance or repairs to the windows. The motion was seconded by Mr. Burnett and passed unanimously. Dr. Morad will advise Sentry Management to schedule the inspection and further advise the Gym Building unit owners of their responsibility for future inspections, repairs and maintenance.

Ms. Wallace also expressed the opinion that the unit owners should be advised to check with their insurance agents regarding insurance coverage for window issues.


Mr. Bernard reported on the state of the foundation repairs and issues regarding the repair work. The first issue was the purchase of sump pumps. The contract with Palmetto Gunitite Construction Company (hereinafter "Palmetto Gunitite") provides for the purchase and installation of five sump pumps at a cost of \$5,000 per pump. Mr. Bill Snow of Palmetto Gunitite expressed an opinion to Mr. Bernard that the five sump pumps were not really needed and that he would either: (a) buy two sump pumps and not install them under the building until they were actually needed so that they would not be subject to corrosion, or (b) hire someone to pump out the foundation area in the event of flooding as was done in the past year. Mr. Bernard moved to purchase three sump pumps. The motion was seconded by Ms. Wallace. Dr. Morad, Mr. Burnett and Mr. Wyrick voted in the negative and the motion was defeated. The consensus of the majority of the Board was that it was more economical to hire a company to pump out any flood waters from the foundation as was necessary.

Mr. Bernard then reported that Palmetto Gunitite had received an estimate to reseal and restripe the Tradd Street parking lot. The estimate was \$1,350. Palmetto Gunitite has offered to split the cost with the Regime. The Regime has accepted the offer.

Mr. Bernard next reported that Palmetto Gunitite has agreed to repair the green fence in the Tradd Street parking lot by replacing the gates and painting the gates and the columns but not painting other parts of the fence. The Board accepted this offer and instructed Dr. Morad to agree on the color with Palmetto Gunitite.

Mr. Bernard then reported the original contract price for the foundation repair was \$2,020,332 and that \$1,626, 644.79 has been paid to Palmetto Gunitite. There is approximately \$409,660 in the construction account which should be enough to pay the initial contract price. It is not enough to pay for Change Order #1 so Dr. Morad needs to make arrangements to draw down upon the line of credit.

There being no further business, the meeting was adjourned.



Jack Burnett, Secretary