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On behalf of the newly elected Board of Directors of Bonnie Brae Homeowner's Association, Inc.

McCabe, Trotter & Beverly, PC
PO Box 212069
Columbia, SC 29221

Attn: J. Ryan Oates - Associate

May 23, 2016

Dear Mr. Oates,

We are in receipt of your letter of May 10, 2016, addressed to the association members of Bonnie Brae.

As you are probably aware, this matter is an ongoing dispute between the previous board of Bonnie Brae, and the newly elected board.

We understand by the contents of your letter you are representing the former Bonnie Brae board under the instruction of the management company and specifically, Charlene Rice.

We see you are also aware that you are the second legal firm Ms. Rice, has used in an attempted to mislead the Bonnie Brae association members. We refuted the claims the previous lawyer made in their attempt, and we refute your claims.

We assume by the contents of your letter you have simply been misinformed by your client and their representative, and you are stating false information in your letter.

- a) Failure of the petitioners to send notice of the meeting to all Association members;
Notice was sent via first class mail to all Bonnie Brae homeowners, as listed by Greenville County Tax Collector register. The petitioners met this requirement. Your client also failed on numerous occasions to provide a list of members, as is required under the Bonnie Brae bylaws, and South Carolina Law. We are sure they forgot to mention this to you.
Copies of the requests and the denials can be provided upon request.
- b) Failure of the petitions to timely send the Special Meeting notice;
Meeting notice was deposited with the US postal service and post marked April 18, 2016 for the meeting to be held on April 28, 2016. According to SC Code of Law 33-31-705, no less than 10 days' notice is required. The petitioners met this requirement.
- c) Failure to afford the current BOD the opportunity to be heard at the Special Meeting;
The agenda for the special meeting (copy enclosed), which was sent to each homeowner as listed on the Greenville County tax collector's register, stated quite clearly that the BOD would be given 5 minutes each to be heard. Again, the petitioners met this requirement.

- d) Failure to achieve the required vote to remove Directors at the meeting;
The meeting was held with an attendance of 90 members in person or by proxy. The quorum required, as confirmed by the BOD was 69. Therefore, action was permitted at the meeting. As stated in our letter to the BOD after the meeting the vote was held and the BOD were voted out by a margin of 70-0. The new board were elected by a margin of 70-0. Ballots can be provided upon request.
- e) Failure to file proxies with the Board secretary;
The secretary, and BOD refused to acknowledge the special meeting as called under SC Code of Law 33-31-702 (a)(1), and as such were not in attendance. Therefore, the proxies were unable to be filed with the secretary. Under SC Code of Law 33-31-702(c) the petitioners were therefore permitted to call the special meeting and conduct business. We should also point out that the BOD secretary, acting under instructions from the BOD and the management agent refused to accept the proxies at the annual meeting of April 28, 2016, which is the reason the special meeting was called.
- f) Failure to empanel a quorum to do business;
As mentioned above, the number in attendance in person and by proxy was 90. Quorum requirement was 69. Therefore, the quorum was met and business was conducted.

You claim you have given your legal opinion to the matter. With all due respect, your opinion is wrong.

Under section 33-31-705 as you correctly state, "fair and reasonable" states "no fewer than 10 days..."

Notice of 10 days was given to the association members, as is confirmed by the post mark. The notice letters were post marked on April 18, 2016. If we count 10 days, that is 19,20,21,22,23,24,25,26,27,28. That is 10 days.

Therefore, notice requirement under SC 33-31-705 (c) (1) is met.

Under section 33-31-705 as you correctly state, "notice of a special meeting includes a description of the matter for which the meeting is called". The notice of the meeting clearly stated:

"Vote for the removal of one or more of the Bonnie Brae Homeowners Association directors pursuant to SC code of law 33-31-808.

Board members will be permitted 5 minutes each to answer why they should not be removed from the board of directors. Vote will be by "Written Ballot" and will take place whether the Board member is in attendance or not.

Vote to elect one or more directors pursuant to SC code of law 33-31-804 and the Bonnie Brae Homeowners Association, Inc. bylaws, Article III section A, 3.5.

New Board members will be permitted 3 minutes each to answer why they should be elected to the board of directors. Vote will be by "Written Ballot". "

Therefore, notice requirement under SC 33-31-705 (c) (3) is met.

As for the claim that some of the BOD members did not receive notice, as you are aware, notice is given when mail is deposited with the US Postal Service. We find it very convenient that "at least some of the five current BOD members, and maybe other owners as well did not get notice."

We believe your comments are pure speculation. What evidence do you have that the letter was not received by other homeowners? Do you not think it is reasonable, that some of the five current BOD members chose to dispose of the letter, in the same manner they have refused to accept registered mail sent by the petitioners in the past?

The petitioners are not responsible for any undelivered mail by the US postal service, or for any association member who has not provided their correct mailing address to either Greenville County Tax Collector, or the Association.

As mentioned above, the BOD secretary and the managing agent refused several request to provide the petitioners with a list of members. This is in direct violation of SC 33-31-720.

You ask us to take note of SC 33-31-808 for removal of directors. The section does not provide for the provision of the governing documents, except for section 33-31-808 (j) which states:

"(i) If, at the beginning of a director's term, the articles or bylaws provide that the director may be removed for reasons set forth in the articles or bylaws, the board may remove the director for such reasons. The director may be removed only if a majority of the directors then in office vote for the removal."

As there is no provision in the bylaws stating a reason for which a director can be removed, and the fact the BOD members were elected by members of the association, this section does not apply. Also there is provision for the bylaws of a religious corporation to overrule SC code. However, despite the insistence of the BOD, the management company, and the previous lawyer, Bonnie Brae Homeowner's Association Inc. is not a religious corporation. So, your argument is invalid as section 33-31-808 (j) does not apply. Therefore, SC 33-31-808 overrules the bylaws of Bonnie Brae, and the action taken at the special meeting of April 28, 2016 was legally binding.

You continue on about the total association vote. As demonstrated above, the bylaws are overruled by SC 33-31-808, and further 33-31-808 (c) states:

(c) Except as provided in subsection (i), a director may be removed under subsection (a) or (b) only if the number of votes cast to remove the director would be sufficient to elect the director at a meeting to elect directors

As we demonstrated subsection (i) is not appropriate in this case. So we continue and verify why the vote was legally binding. The quorum requirement of Bonnie Brae is 69 homeowners. A simple majority is required to elect a BOD member. Therefore, only 36 homeowner's votes (at minimum quorum level) would be required to elect a director. Therefore, only 36 homeowner's votes would be required to remove a director. In the instance of the legally called special meeting held on April 28, 2016. The quorum was 90. Therefore, a simple majority of 46 votes was required to remove the BOD members. The votes, which were independently counted and verified by 2 members (not associated with the petitioners, or the new BOD), was 70. Therefore, the BOD were legally removed under SC 33-31-808.

Now, as to the legality of the proxies. By your own admission SC 33-31-724 "is effective when received by the secretary or other officer or agent authorized to tabulate votes." By the BOD's refusal to call the meeting under 33-31-702, the petitioners were authorized under section 33-31-702 (c) to call and hold the meeting. The BOD members and secretary and the managing agent were also given appropriate notice and failed to attend the meeting. Therefore, the use of the proxies was legal, as the petitioners appointed two agents to tabulate the votes.

Again, as the BOD secretary was not present at the meeting, the proxies could not be handed to the secretary, but were handed to the agents authorized to tabulate votes.

Your comment about the proxies being used for quorum requirements only is not correct. It is unprofessional, misleading and without legal basis, and is clearly an attempt to misinform the members of Bonnie Brae.

SC 33-31-724 states:

(a) Unless the articles or bylaws prohibit or limit proxy voting, a member may appoint a proxy to vote or otherwise act for the member by signing an appointment form either personally or by an attorney-in-fact.

(b) An appointment of a proxy is effective when received by the secretary or other officer or agent authorized to tabulate votes. An appointment is valid for eleven months unless a different period is expressly provided in the appointment form. However, no proxy is valid for more than three years from its date of execution.

(f) Subject to Section 33-31-727 and any express limitation on the proxy's authority appearing on the face of the appointment form, a corporation is entitled to accept the proxy's vote or other action as that of the member making the appointment.

The articles and the bylaws do not prohibit or limit proxy voting. Therefore, a member may assign a proxy to whomever they chose to use for voting purposes. A proxy is valid for 11 months unless specifically stated in the appointment form, and as section (f) states the corporation is entitled to accept the proxy's vote as that of the member making the appointment.

Therefore, under 33-31-724 the BOD cannot restrict the use of the proxies for quorum purposes only.

So, in conclusion, the petitioners have actually met all requirements of holding a special meeting, including petitioning, giving notice, meeting the quorum, removing the BOD, and electing a new BOD.

We ask that they remove themselves from office, effective immediately, and the managing agent turn over the documents that were requested of them, without further delay.

If you, your agents, the managing agents of Bonnie Brae, and the removed BOD of Bonnie Brae continue to dispute the results of the legally binding special meeting held on April 28, 2016, we will have no option than to take the matter to the courts. We shall demonstrate to the court how the BOD, along with the managing agent, Everett Babb of Babb and Brown, J. Ryan Oates of McCabe, Trotter and Beverly, have attempted to give false and misleading information to the members of Bonnie Brae, and have misrepresented the SC state law, for personal and monetary gain.

We understand you plan to attend a meeting of the homeowners, called by the removed BOD on May 26, 2016. Please be advised this meeting is illegal and should the removed BOD wish to call a meeting, they must petition the current legally elected BOD according the SC law and the Bonnie Brae bylaws.

Should they go ahead with this illegally called meeting, any attempt to provide false and misleading information to the Bonnie Brae members, by Jeff Dumpert, Tim Roach, Janine Wyman, Jason Resotka, Julie Hrobsky, Charlene Rice (or any of her agents or representatives), J. Ryan Oates (or any of his agents or representatives) shall be recorded and will be included with the records provided to the court.

As the new board has been elected in a democratic manner, in strict accordance with the Bonnie Brae bylaws and South Carolina Code of Law where applicable, technically we, as the new board of directors for Bonnie Braw Homeowners Association, Inc., are now your client. As such we would advise you to inform your other clients (former board members, and Bonnie Brae's managing agent), of these material facts and instruct the managing agent that they are now to consider this new Board of directors as their point of contact for the Bonnie Brae Homeowners Association, Inc.

We shall once again be in contact with the managing agent in the next few days, and will expect the association's documents and records to be turned over to us without resistance. The initial documents required should be inclusive of, but not limited to, website/email login and passwords, pool security system login and passwords, vendor contracts, vendor invoices, bank statements, and detailed homeowner account balances. Electronic copies of these will be sufficient.

We look forward to an amicable transition between the previous board and the newly elected Board of Directors.

Sincerely,



Roman Kanach
President
Bonnie Brae Homeowner Association Inc.



Tom Wells
Vice President
Bonnie Brae Homeowner Association Inc.