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# Barefoot Resort Residential Owners Association, Inc.

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## Memorandum

To: All Members of the Barefoot Resort Residential Owners Association, Inc.  
From: Board of Directors of the Barefoot Resort Residential Owners Association, Inc.  
Date: March 26, 2026  
Re: Western Boundary Perimeter Wall

The Barefoot Resort Residential Owners Association, Inc. (“BRRA”) Board of Directors is writing to provide a clear, complete update regarding the western boundary perimeter wall, why replacement is necessary, what the Board plans to do immediately, and how the project may be funded.

### Current Condition and Why Action Is Required:

The western boundary wall is failing. This condition creates both a safety concern and a potential liability exposure for the community.

BRRA retained a structural engineer, Edward Porcher, P.E., of Stantec Engineering, to evaluate the wall. Based on the engineer’s professional assessment, the wall must be completely removed and rebuilt.

Stantec’s field report dated August 11, 2025, identified 106 of the wall’s 275 panels as requiring “immediate temporary repairs.” Since that report was issued, the Association has continued monthly monitoring of the wall, and additional panels have required immediate attention, while previously identified deficiencies have continued to worsen. The Board also evaluated whether temporary repairs were a practical option, but the information received indicated that those repairs would not correct the underlying construction deficiencies affecting long-term strength and durability, including areas where reinforcing steel has less than three-quarters of an inch of protective concrete cover at certain panel connections. Budget pricing further showed that a temporary repair approach would be more expensive than complete removal and replacement, while still leaving these underlying issues in place. For these reasons, replacement is necessary.

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### Temporary Security and Privacy Plan:

While the permanent replacement is being designed and bid, the current plan is:

- Remove the existing failing wall.
- Install a temporary chain-link fence with a privacy screen.

This is intended to maintain reasonable security and privacy for affected owners until the permanent wall is constructed.

### Permanent Replacement Wall: Design Goal:

The goal is to replace the wall with materials and an appearance like the existing wall, so the community aesthetic remains consistent, and property values are protected.

The new wall may not be an exact match to the current wall, but it will be designed to be durable, structurally sound, and consistent with the neighborhood's appearance.

### Why the replacement wall should be constructed of concrete.

BRRRA's design direction is being driven not only by engineering and safety, but also by the recorded property documents that govern the western boundary lots. For each of the seventy-nine (79) impacted lots, BRRRA holds a recorded Maintenance Easement Agreement that repeatedly refers to a "wall," and each lot's recorded survey/plat depicts the wall's location within the easement. Because these instruments are recorded in the public land records, they become part of the chain of title for each impacted lot and are the kind of documents that current and future owners may rely upon when purchasing, valuing, and using their property. South Carolina courts routinely treat recorded surveys and recorded instruments referenced in conveyances as defining and protecting the property expectations created at the time of the transaction, and they will enforce those expectations where the recorded documents and surrounding circumstances show a consistent, objective intent.

In practical terms, substituting a materially different barrier (for example, vinyl, wood, or chain-link) would create a real risk of dispute over whether BRRRA has reduced what those owners—and subsequent purchasers—reasonably understood they were getting when the wall was originally approved, built, and then memorialized through recorded documents and the associated transfer paperwork. Even if well-intended, a change in type and character can invite claims seeking court intervention, including demands to restore what owners contend was bargained for, along with claims tied to reliance and property-value impacts; those are the kinds of disputes that can quickly consume time, money, and momentum, and can delay the permanent solution the community needs. Relatedly, South Carolina courts evaluate the scope of implied/record-based rights by focusing on the objective intent at the time of the original transaction and the surrounding circumstances, and they may consider evidence of what was presented and

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relied upon at that time, especially where the recorded documents and the community plan point in a consistent direction.

For these reasons, and to minimize the risk of costly, divisive, and time-consuming challenges that could jeopardize the project schedule and increase overall cost to the community, the Board's goal is to replace the failing concrete structure with another concrete wall—durable, engineered, and consistent in overall form and permanence with what has been historically installed and what is reflected in the recorded documentation—rather than a typical “fence” product that could be viewed as a downgrade or a fundamental change. This approach also aligns with how planned-community architectural controls are commonly enforced in South Carolina, where courts can and do treat aesthetic consistency and adherence to an established community plan as legitimate and enforceable objectives, and where disputes can lead to mandatory corrective outcomes.

#### **How Work Will Be Managed and Verified:**

The Board is working with Stantec Engineering to identify a qualified local professional to conduct regular inspections. The purpose of these inspections is to confirm the wall is being built in accordance with Stantec's design plans and applicable engineering standards.

#### **Project Status and Timing:**

Our engineer is currently identifying qualified wall contractors and obtaining proposals.

The Board intends to complete this project as quickly as possible while ensuring it is done properly. Once contractor bids are received and a contractor is selected, we will provide a clearer project timeline.

#### **Funding Options Under Consideration:**

Replacing the wall will require significant funding. The Board is evaluating two primary funding options:

- Special assessment: a one-time, lump-sum payment by owners.
- Line of credit (loan): financing that spreads the cost over time.

The Board's preliminary view is that a line of credit may reduce the immediate financial burden on owners compared to a large one-time special assessment. If a loan is used, the current plan is that it will be repaid from the Association's 1% Fund.

#### **Membership Vote Requirement:**

Before proceeding with a line of credit for this project, the Board will ask the community to vote.

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A BRRR resolution requires a membership vote when an expense exceeds \$150,000 and significantly impacts the Barefoot community. This wall project meets that standard. Owners will have the opportunity to review the proposal and vote on how the project should be funded.

#### Why All Owners Share the Cost:

Some owners have asked why multi-family units would also contribute to the cost of replacing a wall located along the western boundary.

In prior years, a previous Board assumed ownership and responsibility for the wall's maintenance, upkeep, and eventual replacement. As a result, the wall is treated as a community asset, and its replacement is a common expense shared by the entire community.

#### Existing Credit Line and Proposed New Credit Line:

- BRRR currently has a \$1,000,000 line of credit, but it can only be used for repairs related to Outfall #2 and cannot be used for this wall project.
- BRRR has been approved for a line of credit up to \$4,000,000 with First-Citizens Bank & Trust Company.

Approval for "up to \$4,000,000" is intended to provide flexibility. It does not mean BRRR will borrow the full amount. The expected amount needed will become clearer once contractor bids are received.

#### Illustrative Loan Terms and Estimated Payment (If \$4,000,000 Is Borrowed):

If BRRR borrows \$4,000,000, the loan structure under discussion is:

- Term: 6 years (72 months)
- Draw period: first 12 months, interest-only payments
- Repayment period: final 5 years, principal and interest

The interest rate would be based on the 5-Year U.S. Treasury Constant Maturity rate in effect five business days prior to closing, plus 1.90%, with a minimum rate of 5.65%.

Based on these assumptions, estimated monthly principal and interest payments during the repayment period would be approximately \$76,681.90.

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Fees and prepayment:

- Origination fee: 0.25%
- Legal fee: \$3,500
- Early payoff penalty: none, unless BRRR refinances the loan with another lender

**Special Assessment Illustration:**

The actual special assessment amount cannot be determined until contractor costs are finalized. However, as a simple illustration, if the total cost were \$4,000,000 and the cost were divided among approximately 3,200 units, the one-time amount would be about \$1,250 per unit.

1% Fund: Current Balance and Recent Income Trend:

The 1% Fund is a key part of this discussion because the Board's current plan, if a loan is used, is to repay the loan from the 1% Fund.

- 1% Fund balance (as of February 2026): \$2,298,321.34

Reported 1% Fund income totals:

- 2023: \$842,889.70 (average \$70,240.81/month)
- 2024: \$960,076.11 (average \$80,006.34/month)
- 2025: \$1,387,794.04 (average \$115,649.50/month)

Based on the growth trend from 2023 through 2025, the projection provided estimates:

- Projected 2026 total: approximately \$1,780,746
- Projected 2026 monthly average: approximately \$148,400

The data also shows several higher-income months, including spikes in March 2025 and December 2025.

**Lawsuit Recovery:**

If BRRR recovers funds through the ongoing lawsuit, those funds will be applied directly to the 1% Fund to help offset and repay project costs.

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### What You Should Expect Next:

As soon as contractor proposals are received and evaluated, the Board will provide the community with:

- A clearer project budget and the expected funding amount needed.
- A proposed financing plan (if a line of credit is pursued), including final terms.
- A voting package and instructions for the required membership vote.
- Updated timing estimates.

### Conclusion:

This is a serious infrastructure and safety issue, and the Board is focused on addressing it responsibly, transparently, and as quickly as practicable. We appreciate your attention and participation, particularly as the community vote approaches.