

THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM Horry County Common Pleas Court
Honorable Carmen T. Mullen, Circuit Court Judge

Appellate Case No. 2023-001132
Trial Court Case No. 2018-CP-26-00307

Wedgewood Condominium Association, Respondent,

v.

Centex Homes, a Nevada General Partnership; Balfour Beatty Construction, LLC as Successor by Merger to Centex Construction Company, Inc., and Centex Construction, LLC; Crescent Engineering, Inc., Defendants,

Of which Centex Homes, a Nevada General Partnership; Balfour Beatty Construction, LLC as Successor by Merger to Centex Construction Company, Inc., and Centex Construction, LLC, are the Appellants.

and

Centex Homes, a Nevada General Partnership, Third Party Plaintiff,

v.

Right Way Construction, Inc. a/k/a RWG, Inc. a/k/a Right Way Group, Inc. a/k/a RWGR, Inc.; Frank Harris d/b/a Frank Harris Construction a/k/a/ F. Harris Construction a/k/a Harris Drywall; Builders First Source- South East Group, LLC; Stock Building Supply, LLC f/k/a Stock Building Supply, Inc. f/k/a Carolina Builders Corporation; Michael D. Brownlee d/b/a Carolina Drywall & Interiors; Carolina Drywall & Interior, Inc., a/k/a Carolina Drywall & Interiors, Inc. a/k/a Carolina Drywall Contractors, Inc.; Roof Doctor of the Carolinas, Inc.; John D. Frazier d/b/a and/or a/k/a Roof Doctor and/or Roof Doctor of the Carolinas and/or Roof Doctor of the Carolinas, Inc.; Steven Bosch d/b/a The Roofer Man; Tri- City Insulation and Building Products of Myrtle Beach, Inc.; Martin Mata d/b/a Martin Masonry, Inc.; Martin Masonry, Inc.; BR Brick & Masonry, Inc.; BR Brick & Masonry, LP f/k/a BR Brick & Masonry, Inc.; Unicon Concrete, LLC; Seno's Cleaning Services; Rice Planter Carpets, Inc. n/k/a Creative Touch Interiors, Inc., Floors, Inc. Successor By Merger to Rice Planter Carpets, Inc.; Carpets by Kendall, Inc.; Reliable Floor Systems, Inc.; TNT Painting; Paint with Pride a/k/a Painting with Pride; William Evans d/b/a Top Notch Painters; Morningstar Consultants, Inc.; MI Windows and Doors, LLC; Michael Dawson d/b/a Michael

Dawson Construction, and Inc.; Vereen Concrete Co. Inc.; AK Construction Inc. a/k/a AK Framing and Siding Co.; and AK United, Inc. f/k/a AK Construction Inc., Third-Party Defendants.

RECORD ON APPEAL – VOLUME VI

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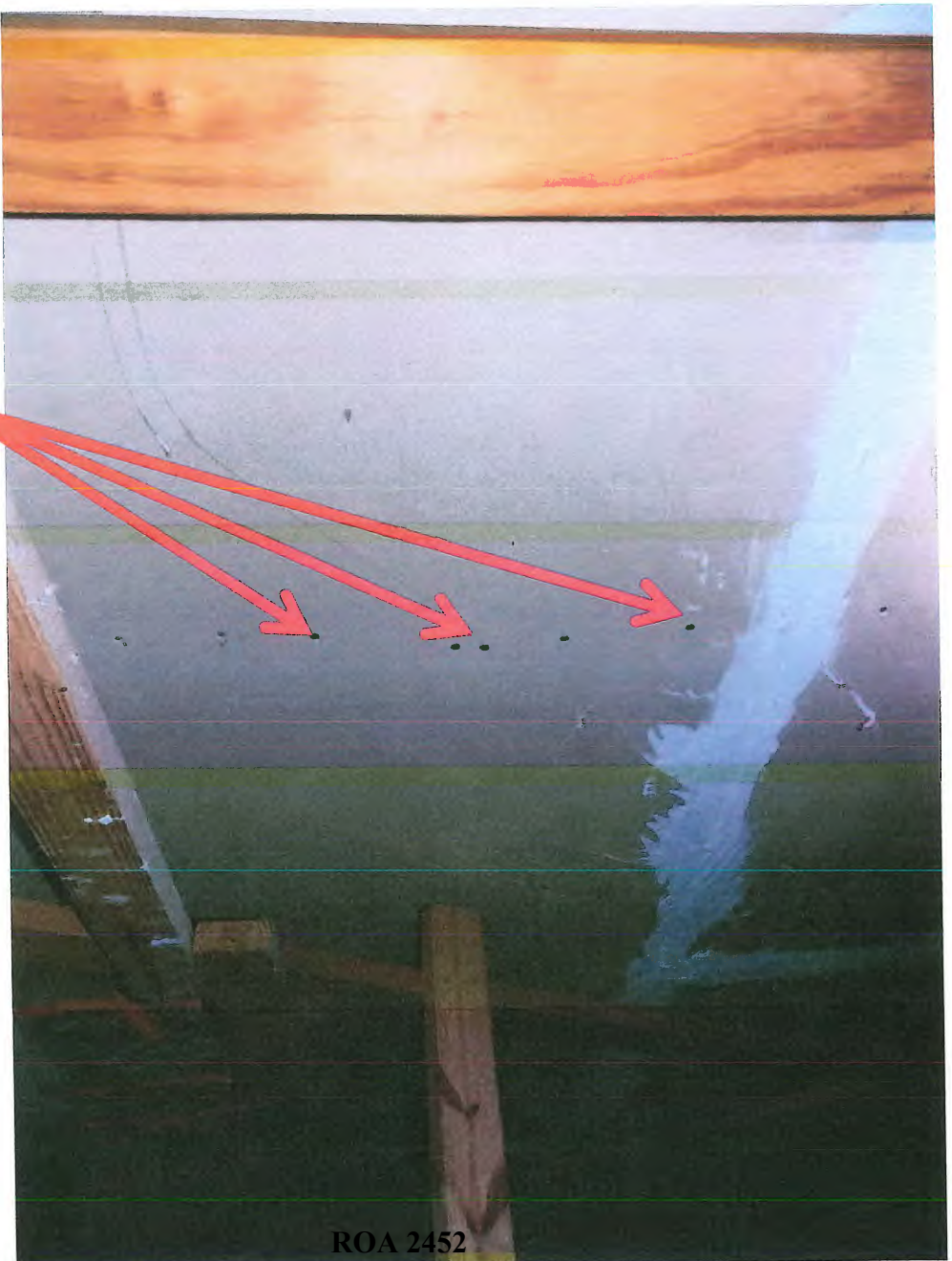
FINDINGS

- Exterior Walls
- Roofs
- Walkways
- Stairs
- Attics
- Framing Connections
- Truss and Window Framing
- Fire Protection

ATTICS: FIRE PROTECTION

As-Built Conditions

- Fastener heads not mudded in drywall draftstopping



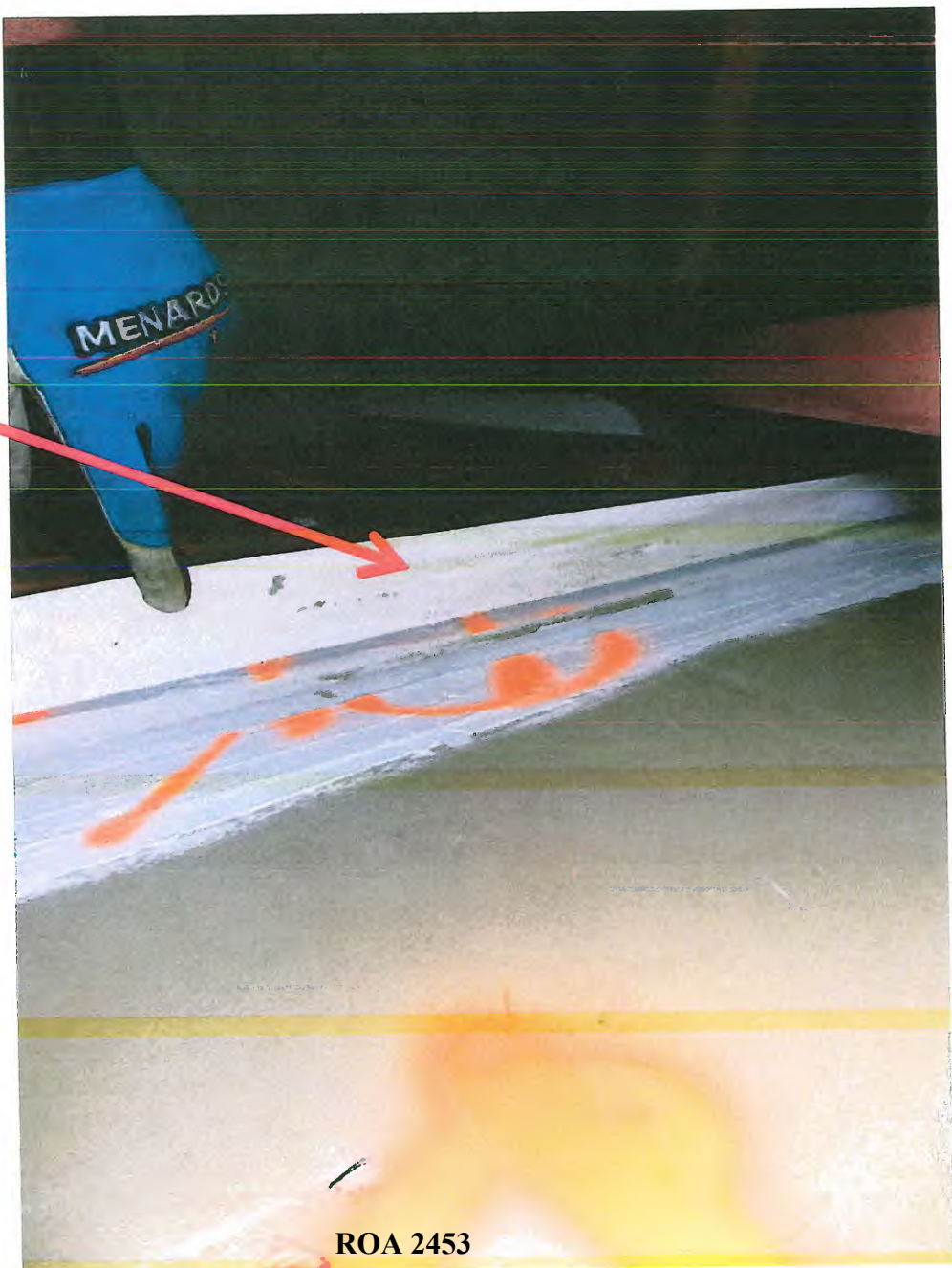
EXPOSED FASTENER HEADS

ROA 2452

ATTICS: FIRE PROTECTION

As-Built Conditions

- Fastener heads not mudded in drywall draftstopping
- Seam tape not properly mudded in drywall draftstopping



LOOSE SEAM TAPE

ROA 2453

ATTICS: FIRE PROTECTION

As-Built Conditions

- Fastener heads not mudded in drywall draftstopping
- Seam tape not properly mudded in drywall draftstopping

Requirements

- Standard Building Code

2305.2.7 The integrity of all draftstops shall be maintained.

ROA 2454

ATTICS: FIRE PROTECTION

As-Built Conditions

- Fastener heads not mudded in drywall draftstopping,
- Seam tape not properly mudded in drywall draftstopping

Requirements

- Standard Building Code
- Gypsum Fire Resistance Design Manual

Unless otherwise specified, the face layers of all systems, except those with predecorated or metal covered surfaces, shall have joints taped (minimum Level 1 as specified in GA-214, Levels of Gypsum Board Finish) and fastener heads treated.

ROA 2455

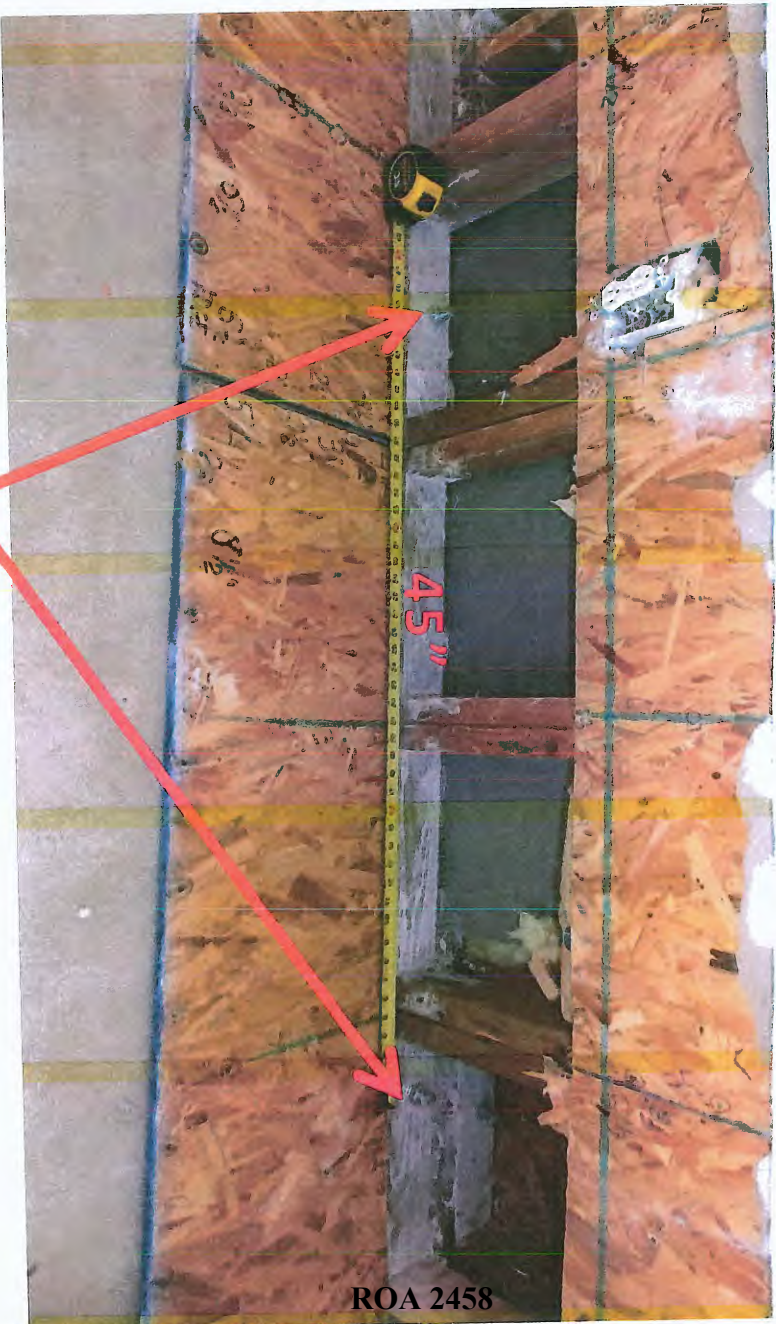
FINDINGS

- Exterior Walls
- Roofs
- Walkways
- Stairs
- Attics
- Shear Walls
 - Framing Attachment
 - Sheathing Attachment

SHEAR WALLS: FRAMING ATTACHMENT

As-Built Conditions

Anchor bolt spacing exceeds 32"



ANCHOR BOLT SPACING

ROA 2458

SHEAR WALLS: FRAMING ATTACHMENT

As-Built Conditions

- Anchor bolt spacing exceeds 32"
- Anchor bolt nuts loose

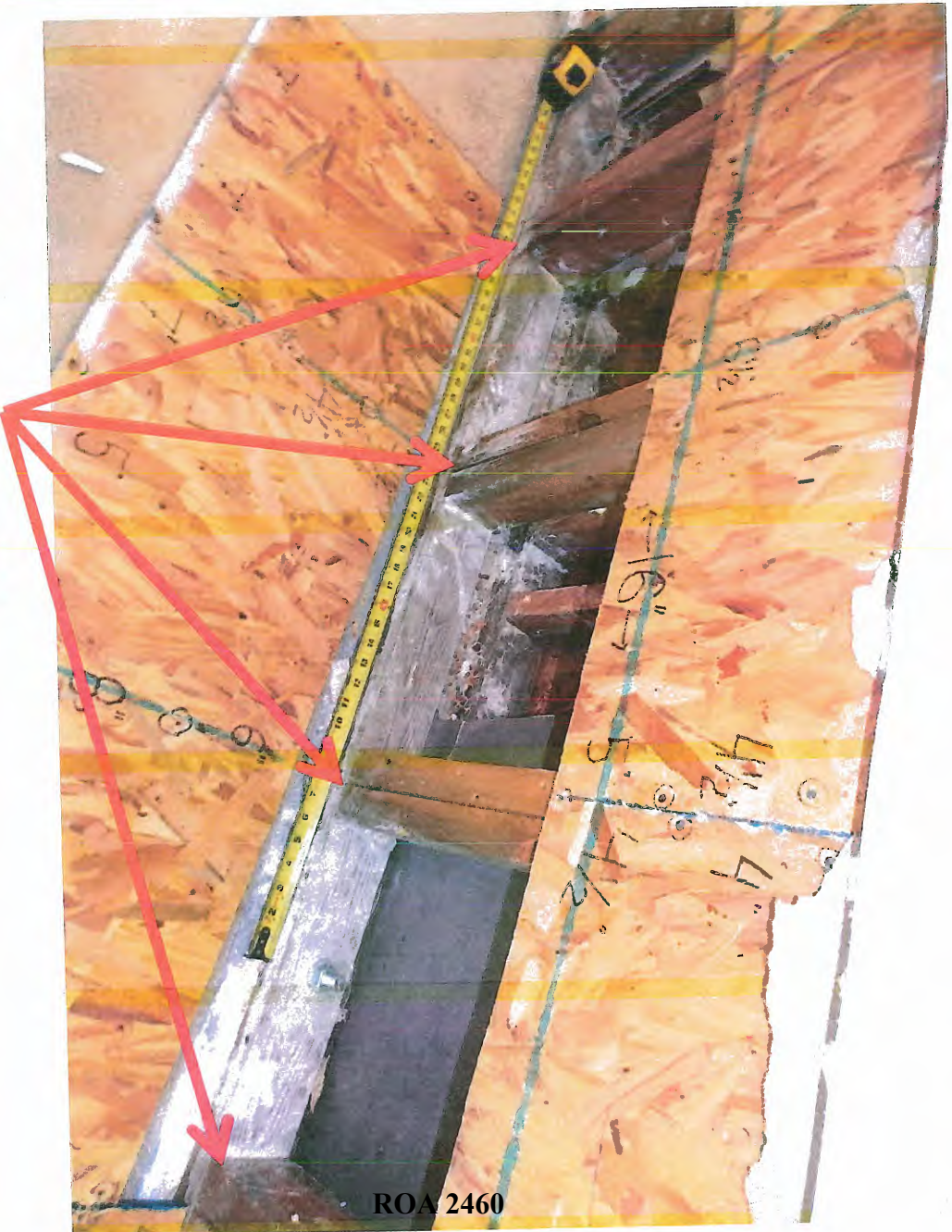


**LOOSE ANCHOR BOLT
NUTS**

SHEAR WALLS: FRAMING ATTACHMENT

As-Built Conditions

- Anchor bolt spacing exceeds 32"
- requirement on drawings
- Anchor bolt nuts loose
- No hurricane ties at base of walls



**MISSING HURRICANE
TIES**

ROA 2460

SHEAR WALLS: FRAMING ATTACHMENT

As-Built Conditions

- Anchor bolt spacing exceeds 32" requirement on drawings
- Anchor bolt nuts loose
- No hurricane ties at base of walls

Requirements

- Standard Building Code

1601.2 Structural safety

1601.2.1 Every building and structure shall be of sufficient strength to support the loads and forces encountered, or combinations thereof, without exceeding in any of its structural elements the stresses prescribed elsewhere in this code.

SECTION 1606 WIND LOADS

1606.1 Applications. All buildings, structures and parts thereof shall be designed to withstand the appropriate wind loads prescribed herein. Decreases in wind loads shall not be made for the effect of shielding by other structures. Wind pressures shall be assumed to act normal to the surfaces considered.

SECTION 2310 WOOD STRUCTURAL PANEL DIAPHRAGMS

2310.1.3 Connections and anchorages capable of resisting the design forces shall be provided between the diaphragms and the resisting elements. Openings in

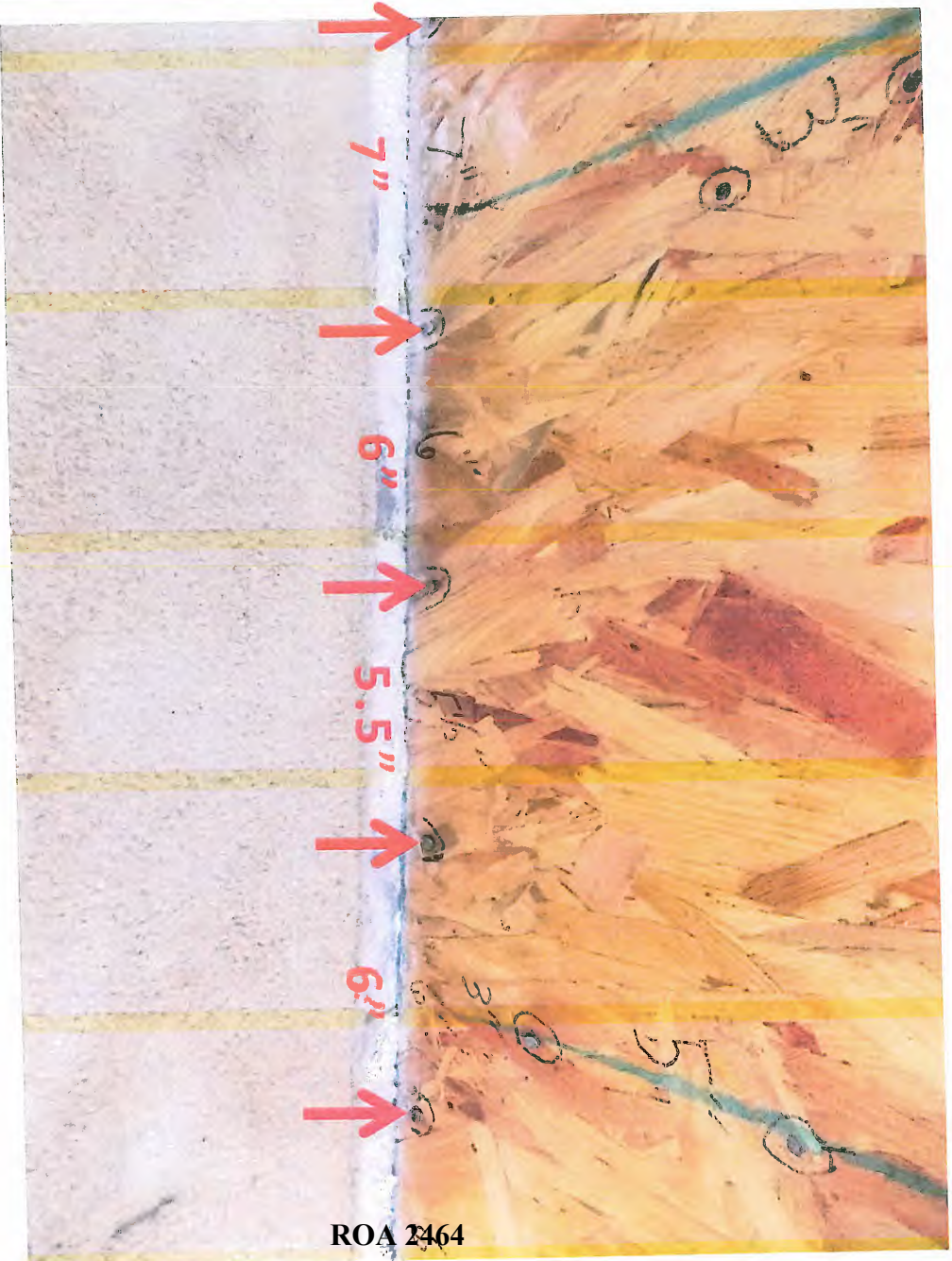
FINDINGS

- Exterior Walls
- Roofs
- Walkways
- Stairs
- Attics
- Shear Walls
 - Framing Attachment
 - Sheathing Attachment

SHEAR WALLS: SHEATHING ATTACHMENT

As-Built Conditions

Sheathing fastener spacing exceeds 3" spacing required by drawings on first floor



**FASTENER SPACING
OVER 3"**

SHEAR WALLS: SHEATHING ATTACHMENT

As-Built Conditions

Sheathing fastener spacing exceeds 3" spacing required by drawings on first floor



**NO FASTENERS IN
SHEATHING**

ROA 2465

SHEAR WALLS: SHEATHING ATTACHMENT

As-Built Conditions

- Sheathing fastener spacing exceeds 3" spacing required by drawings on first floor
- Sheathing fastener spacing exceeds 4" spacing required by drawings on second floor



**FASTENER SPACING
OVER 4"**

SHEAR WALLS: SHEATHING ATTACHMENT

As-Built Conditions

- Sheathing fastener spacing exceeds 3" spacing required by drawings on first floor
- Sheathing fastener spacing exceeds 4" spacing required by drawings on second floor
- No blocking along horizontal sheathing joint



MISSING BLOCKING

SHEAR WALLS: SHEATHING ATTACHMENT

As-Built Conditions

- Sheathing fastener spacing exceeds the 3" spacing required by drawings on first floor
- Sheathing fastener spacing exceeds the 4" spacing required by drawings on second floor
- No blocking along horizontal sheathing joint
- Missing shear wall sheathing



SHEATHING MISSING

SHEAR WALLS: SHEATHING ATTACHMENT

As-Built Conditions

- Sheathing fastener spacing exceeds the 3" spacing required by drawings on first floor
 - Sheathing fastener spacing exceeds the 4" spacing required by drawings on second floor
 - No blocking along horizontal sheathing joint
 - Missing shear wall sheathing
- Requirements**
- Standard Building Code

1601.2 Structural safety

1601.2.1 Every building and structure shall be of sufficient strength to support the loads and forces encountered, or combinations thereof, without exceeding in any of its structural elements the stresses prescribed elsewhere in this code.

SECTION 1606 WIND LOADS

1606.1 Applications. All buildings, structures and parts thereof shall be designed to withstand the appropriate wind loads prescribed herein. Decreases in wind loads shall not be made for the effect of shielding by other structures. Wind pressures shall be assumed to act normal to the surfaces considered.

SECTION 2310 WOOD STRUCTURAL PANEL DIAPHRAGMS

2310.1.3 Connections and anchorages capable of resisting the design forces shall be provided between the diaphragms and the resisting elements. Openings in

SHEAR WALLS: SHEATHING ATTACHMENT

As-Built Conditions

- Sheathing fastener spacing exceeds the 3" spacing required by drawings on first floor
- Sheathing fastener spacing exceeds the 4" spacing required by drawings on second floor
- No blocking along horizontal sheathing joint
- Missing shear wall sheathing

Requirements

- Standard Building Code
- Structural Drawings

-- 2ND FLOOR SHEAR WALLS TO BE FASTENED WITH 131# NAILS AT 4" O.C. ALONG EDGES AND 12" O.C. AT INTERMEDIATE FRAMING.
-- 1ST FLOOR SHEAR WALLS TO BE FASTENED WITH 131# NAILS AT 3" O.C. ALONG EDGES AND 12" O.C. AT INTERMEDIATE FRAMING. ANCHOR STUDS TO SOLE PLATE WITH H2.5'S AT 24" O.C.

ROA 2470

FINDINGS

- Exterior Walls
- Roofs
- Walkways
- Stairs
- Attics
- Shear Walls
- Floor/Ceiling Assemblies
 - Tenant Separation Walls

FLOOR/CEILING ASSEMBLIES

As-Built Conditions

Missing 2x blocking between floor trusses



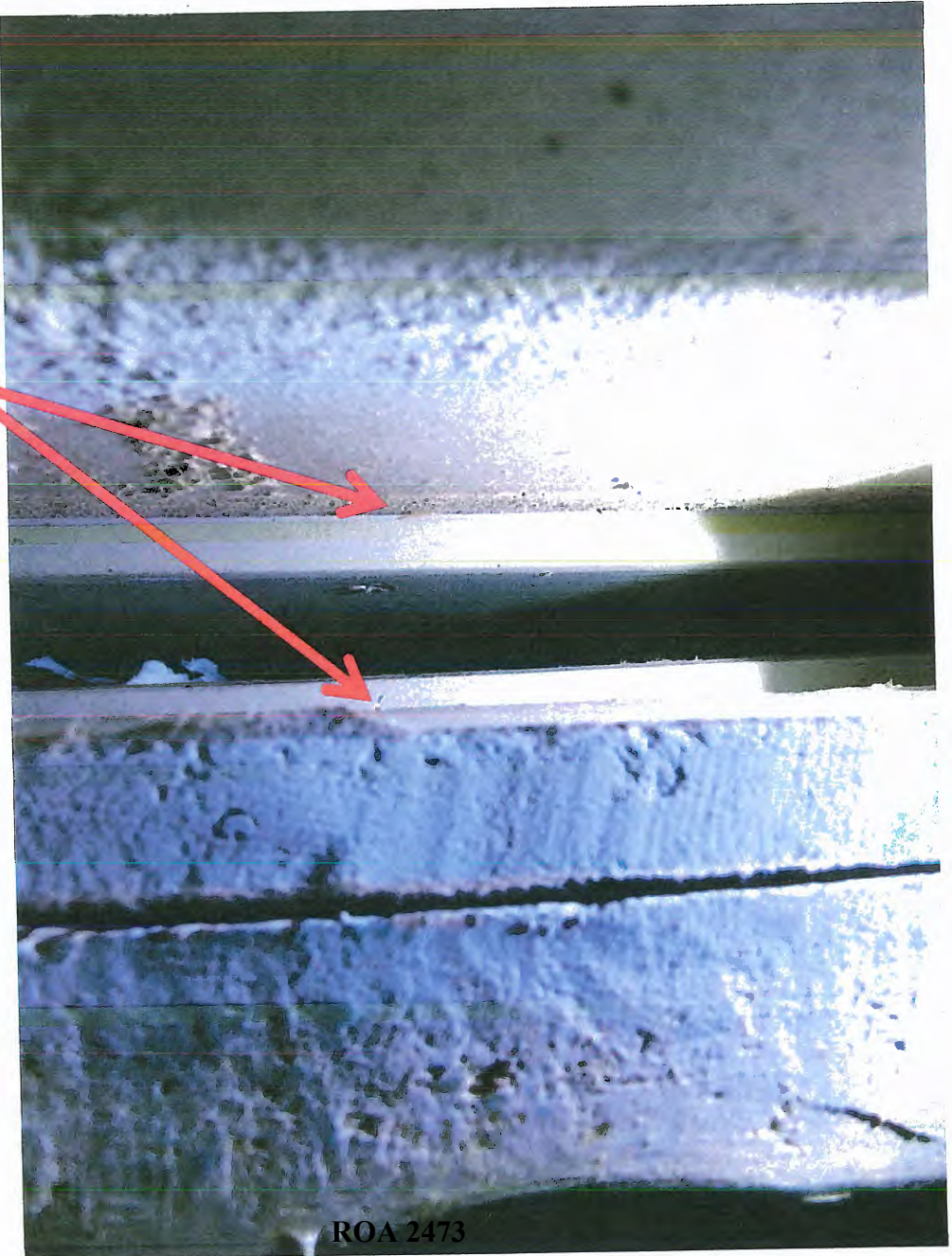
**NO BLOCKING
BETWEEN TRUSSES**

ROA 2472

FLOOR/CEILING ASSEMBLIES

As-Built Conditions

- Missing 2x blocking between floor trusses
- Gypsum board not continuous



GAPS IN DRYWALL

ROA 2473

FLOOR/CEILING ASSEMBLIES

As-Built Conditions

- Missing 2x blocking between floor trusses
- Gypsum board not continuous



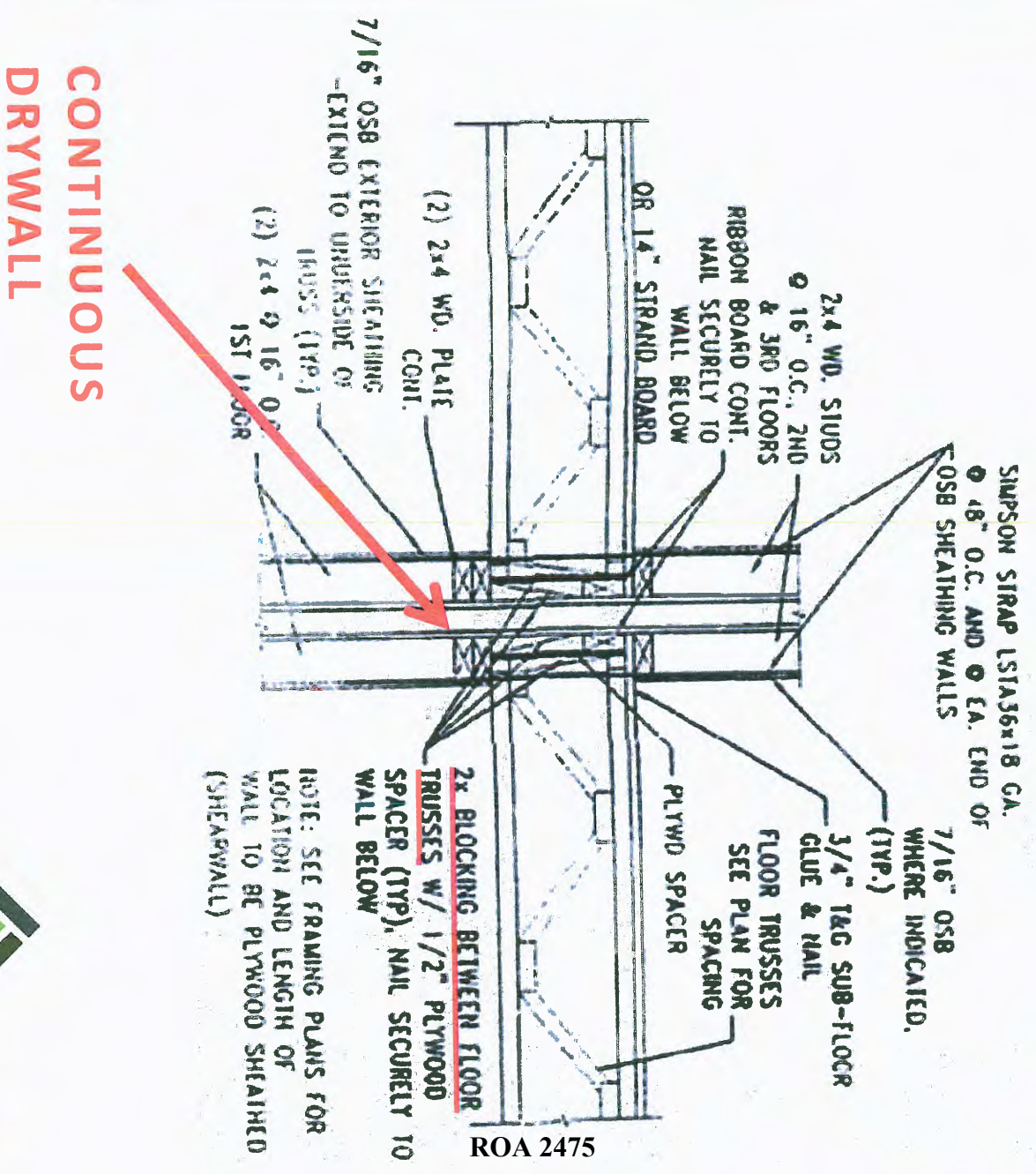
NO DRYWALL

ROA 2474

FLOOR/CEILING ASSEMBLIES

As-Built Conditions

- Missing 2x blocking between floor trusses
 - Gypsum board not continuous
- ### Requirements
- Structural Drawings



ROA 2475

FINDINGS

- Exterior Walls
- Roofs
- Walkways
- Stairs
- Attics
- Shear Walls
- Floor/Ceiling Assemblies
- Accessibility
 - Entry Stairs and Ramps

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
- Exceeds 1:12 (8.33%)



ROA 2477

ACCESSIBLE RAMP

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

Improper ramp slope at Buildings 3 and 6

- Exceeds 1:12 (8.33%)



**RAMP SLOPE
MEASUREMENT**

ROA 2478

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
- Exceeds 1:12 (8.33%)



ROA 2479

RAMPS EXCEED 1:12 (8.33%)

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
 - Exceeds 1:12 (8.33%)
- Improper ramp length at Building 4
 - Exceeds 30 linear feet



**RAMPS LENGTH OVER 30
LINEAR FEET**

ROA 2480

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
 - Exceeds 1:12 (8.33%)
- Improper ramp length at Building 4
 - Exceeds 30 linear feet
- Improper stair riser height at Buildings 5 and 9
 - Exceeds 7 inches



ENTRY STAIR

ROA 2481

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
 - Exceeds 1:12 (8.33%)
- Improper ramp length at Building 4
 - Exceeds 30 linear feet
- Improper stair riser height at Buildings 5 and 9
 - Exceeds 7 inches



**RISER HEIGHT OVER
7 INCHES**

ROA 2482

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

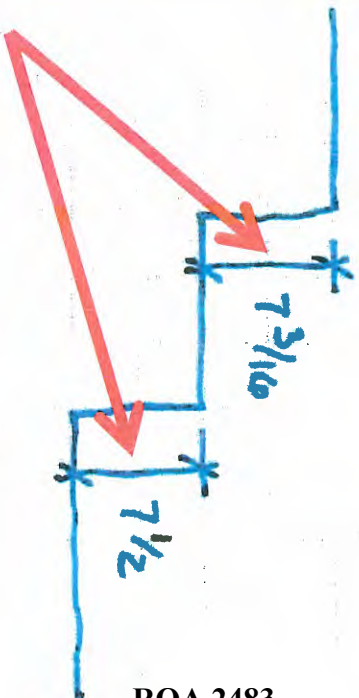
As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
 - Exceeds 1:12 (8.33%)
- Improper ramp length at Building 4
 - Exceeds 30 linear feet
- Improper stair riser height at Buildings 5 and 9
 - Exceeds 7 inches

WEDGEWOOD - BLDG. 9

FRONT STEPS
(2) RISERS
TOO HIGH
NO HANDRAILS

RISER HEIGHT
OVER 7 INCHES



ROA 2483

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
 - Exceeds 1:12 (8.33%)
- Improper ramp length at Building 4
 - Exceeds 30 linear feet
- Improper stair riser height at Buildings 5 and 9
 - Exceeds 7 inches
- Missing handrails along stairs and ramps at Buildings 2 through 9



HANDRAILS MISSING

ROA 2484

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
 - Exceeds 1:12 (8.33%)
 - Improper ramp length at Building 4
 - Exceeds 30 linear feet
 - Improper stair riser height at Buildings 5 and 9
 - Exceeds 7 inches
 - Missing handrails along stairs and ramps at Buildings 2 through 9
- ## Requirements
- Standard Building Code

1101.1.4 Details, dimensions and construction specifications for items herein shall comply with the requirements of CABO/ANSI A117.1.

1103.2 Entrances

1103.2.1 In each building and structure, and each separate tenancy within a building or structure, at least 50% of its entrances, but not less than one, shall comply with the accessible route provisions of CABO/ANSI A117.1

ROA 2485

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

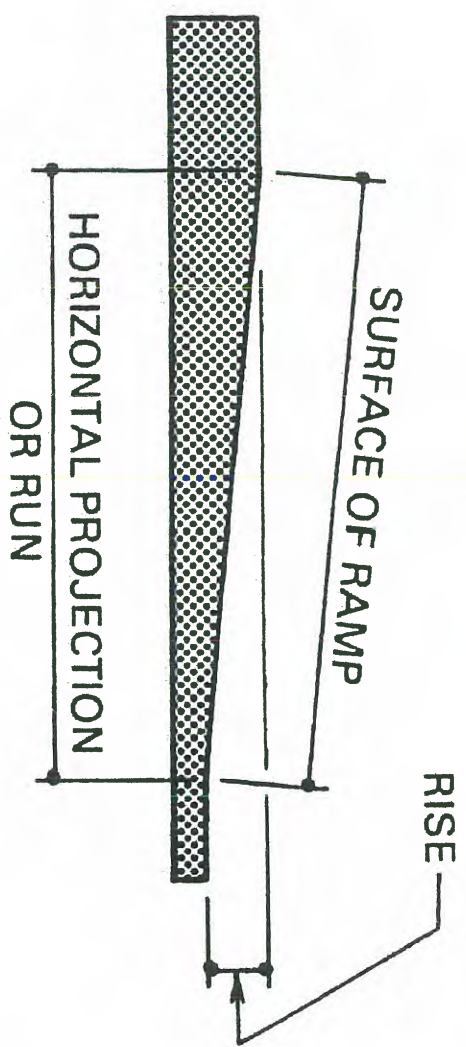
As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
 - Exceeds 1:12 (8.33%)
- Improper ramp length at Building 4
 - Exceeds 30 linear feet
- Improper stair riser height at Buildings 5 and 9
 - Exceeds 7 inches
- Missing handrails along stairs and ramps at Buildings 2 through 9

Requirements

- Standard Building Code
- CABO/ANSI A117.1

4.8.2* Slope and Rise. Ramps in new construction shall have a slope not steeper than 1:12. The rise for any ramp run shall be 30 in (760 mm) maximum. See Fig. B4.8.2. Curb ramps and ramps



Slope	Maximum Rise		Maximum Horizontal Projection	
	in	mm	ft	m
1:12 to 1:15	30	760	30	9
1:16 to 1:19	30	760	40	12
1:20	30	760	50	15

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
 - Exceeds 1:12 (8.33%)
- Improper ramp length at Building 4
 - Exceeds 30 linear feet
- Improper stair riser height at Buildings 5 and 9
 - Exceeds 7 inches
- Missing handrails along stairs and ramps at Buildings 2 through 9

Requirements

- Standard Building Code
- CABO/ANSI A117.1

4.9.2 Treads and Risers

4.9.2.1 Dimensions. All steps on a flight of stairs shall have uniform riser heights and uniform tread depth. Risers shall be 7 in (180 mm) maximum and 4 in (100 mm) high minimum. Treads shall be 11 in

ROA 2487

ACCESSIBILITY: ENTRY STAIRS AND RAMPS

As-Built Conditions

- Improper ramp slope at Buildings 3 and 6
 - Exceeds 1:12 (8.33%)
- Improper ramp length at Building 4
 - Exceeds 30 linear feet
- Improper stair riser height at Buildings 5 and 9
 - Exceeds 7 inches
- Missing handrails along stairs and ramps at Buildings 2 through 9

Requirements

- Standard Building Code
- CABO/ANSI A117.1

4.8.5 Handrails. Ramps with a rise greater than 6 in (150 mm) or a run greater than 72 in (1830 mm) shall have handrails complying with 4.3.10 and 4.3.11.

4.9.4 Handrails. Stairs shall have handrails complying with 4.3.10 and 4.3.11.

4.3.10* Handrails. Handrails for stairs and ramps shall comply with 4.3.10.

4.3.10.1 Handrails shall be provided on both sides of stairs and ramps.

ROA 2488

FINDINGS

- Exterior Walls
- Roofs
- Walkways
- Stairs
- Attics
- Shear Walls
- Floor/Ceiling Assemblies
- Accessibility
- Vapor Barrier
- Exterior Walls

VAPOR BARRIER: EXTERIOR WALLS

As-Built Conditions

- Vapor barrier installed on interior side of exterior walls



PLASTIC VAPOR BARRIER

ROA 2490

VAPOR BARRIER: EXTERIOR WALLS

As-Built Conditions

Vapor barrier installed on interior side of exterior walls



**PLASTIC VAPOR
BARRIER**

ROA 2491

VAPOR BARRIER: EXTERIOR WALLS

As-Built Conditions

- Vapor barrier installed on interior side of exterior walls
- Resulting damage
 - Condensation



**EVIDENCE OF MOISTURE ACCUMULATION
WITHIN WALL CAVITY**

ROA 2492

VAPOR BARRIER: EXTERIOR WALLS

As-Built Conditions

- Vapor barrier installed on interior side of exterior walls
- Resulting damage
 - Condensation
 - Reduced performance of insulation



**INSULATION ADHERED TO VAPOR BARRIER
DUE TO MOISTURE ACCUMULATION**

ROA 2493

VAPOR BARRIER: EXTERIOR WALLS

As-Built Conditions

- Vapor barrier installed on interior side of exterior walls
- Resulting damage
 - Condensation
 - Reduced performance of insulation
- Requirements
 - Standard Building Code

E101.2 All buildings, except those listed below, shall be designed in accordance with the CABO Model Energy Code.

Exceptions:

1. Buildings and structures, or portions thereof, which are neither heated nor cooled.
2. Buildings and structures, or portions thereof, whose peak design rate of energy usage is less than 1 watt per square foot or 3.4 Btu/h per square foot (10.76 W/m²) of floor area for all purposes.

SECTION E102 OTHER STANDARDS

E102.1 Compliance with the applicable provisions of ASHRAE Standard 90.1 shall be deemed to meet the requirements of this chapter, unless otherwise specifically provided herein.

Exception: Residential buildings of 3 stories or less may comply with the requirements of ASHRAE 90.2 Code.

VAPOR BARRIER: EXTERIOR WALLS

As-Built Conditions

- Vapor barrier installed on interior side of exterior walls
- Resulting damage
 - Condensation
 - Reduced performance of insulation
- Standard Building Code
- Model Energy Code

Requirements

502.14. The design shall not create conditions of accelerated deterioration from moisture condensation. In all frame walls and floors and ceilings not ventilated to allow moisture to escape, an approved vapor retarder having a maximum rating of 1.0 perm, when tested in accordance with Standard R-S-21 listed in Chapter 8, Procedure A, shall be installed on the warm-in-winter side of the thermal insulation.

VAPOR BARRIER: EXTERIOR WALLS

As-Built Conditions

- Vapor barrier installed on interior side of exterior walls
 - Resulting damage
 - Condensation
 - Reduced performance of insulation
- Requirements**
- Standard Building Code
 - Model Energy Code
 - ASHRAE 90.2

Exception: The use of vapor retarders is not required in humid climates. If vapor retarders are used, they should be on the exterior.

VAPOR BARRIER: EXTERIOR WALLS

As-Built Conditions

- Vapor barrier installed on interior side of exterior walls
- Resulting damage
 - Condensation
 - Reduced performance of insulation

Requirements

- Standard Building Code
- Model Energy Code
- ASHRAE 90.2
- ASHRAE Handbook of Fundamentals

Water vapor diffuses through building materials from the outside into air-conditioned spaces in high humidity climates. Exterior surfaces should have higher vapor resistance than interior surfaces in such climates. Paints and finishes can provide the necessary vapor resistances, with the greater vapor resistance at the outside surface and lower vapor resistances toward the inside. Where vapor retarders are used, they should be on the outside.

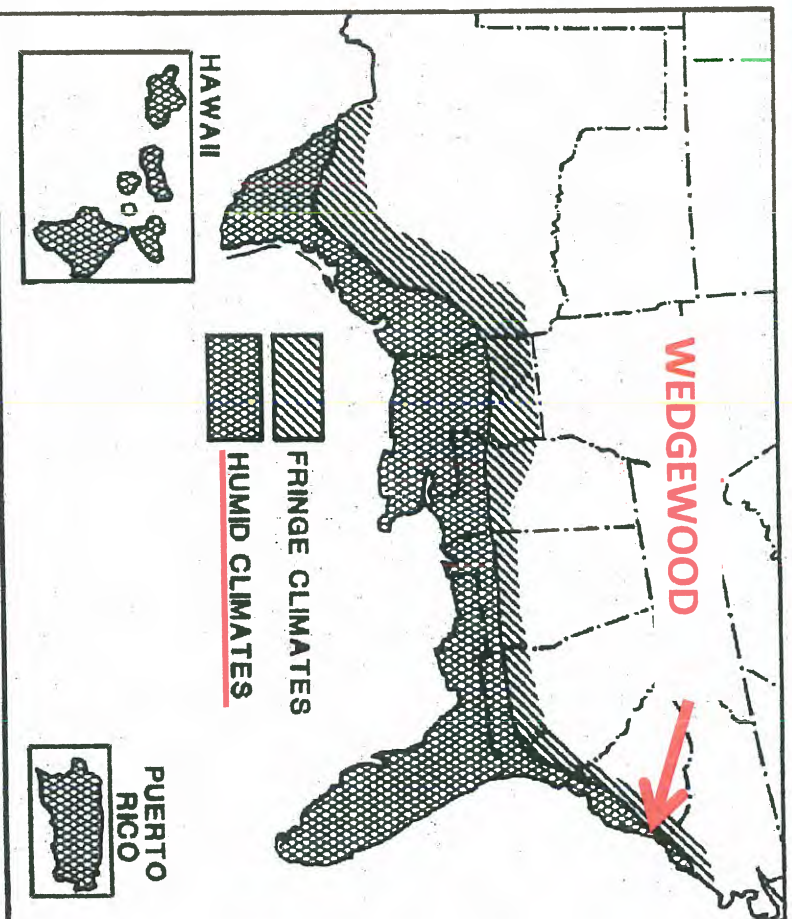


Fig. 12 Humid Climates in Continental United States

FINDINGS

- Exterior Walls
- Roofs
- Walkways
- Stairs
- Attics
- Shear Walls
- Floor/Ceiling Assemblies
- Accessibility
- Vapor Barrier
- Window Installation
- Improper Flashing
- Improper Mulling

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

Rough opening flashing and WRB improperly installed over the sill nailing fin



**FLASHING AND
WRB OVER SILL
NAILING FIN**

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

Rough opening flashing and WRB improperly installed over the sill nailing fin



FLASHING AND
WRB OVER SILL
NAILING FIN

ROA 2500

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

Rough opening flashing and WRB improperly installed over the sill nailing fin



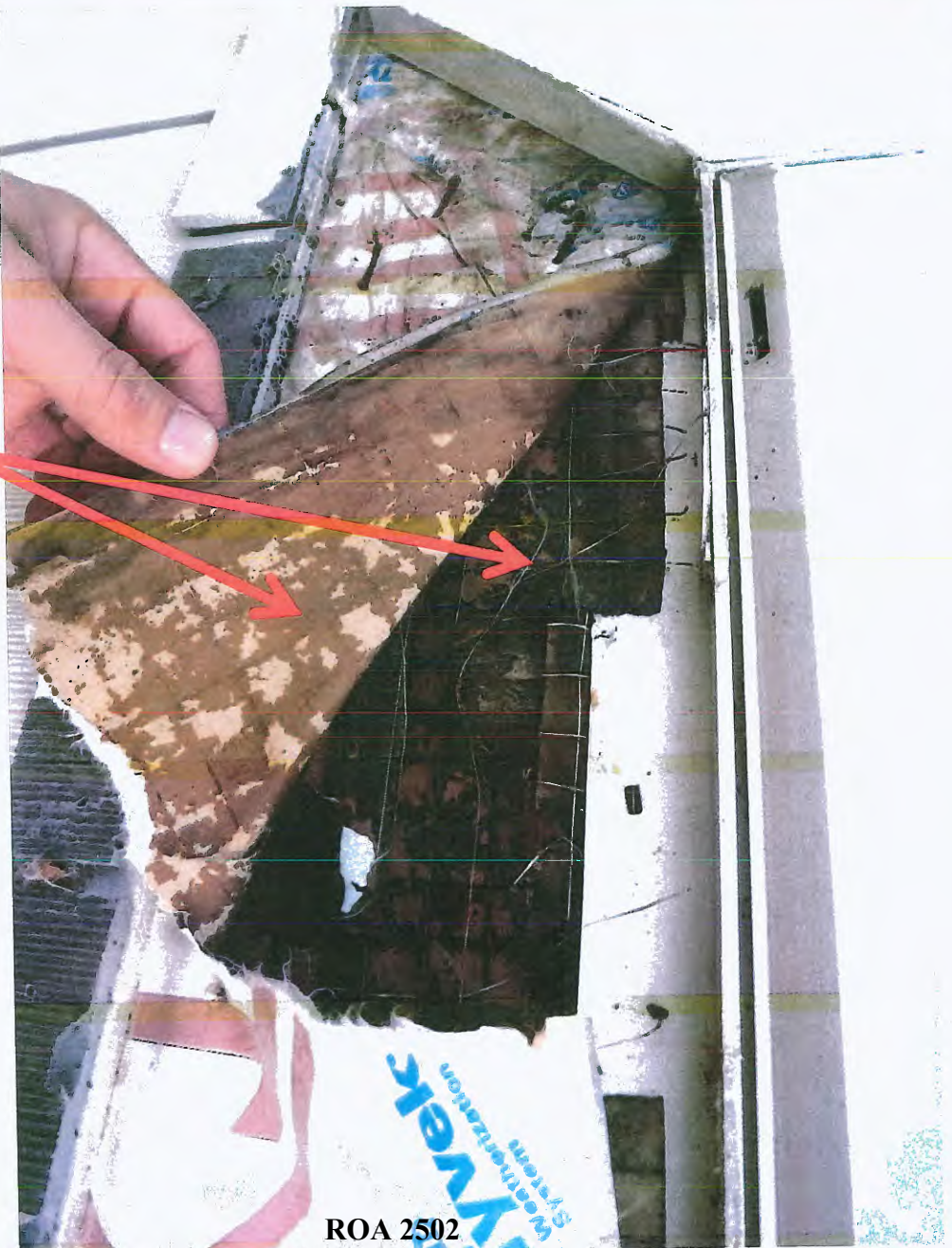
**FLASHING AND
WRB OVER SILL
NAILING FIN**

ROA 2501

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material



**DEFECTIVE FLASHING -
FALLING APART**

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material

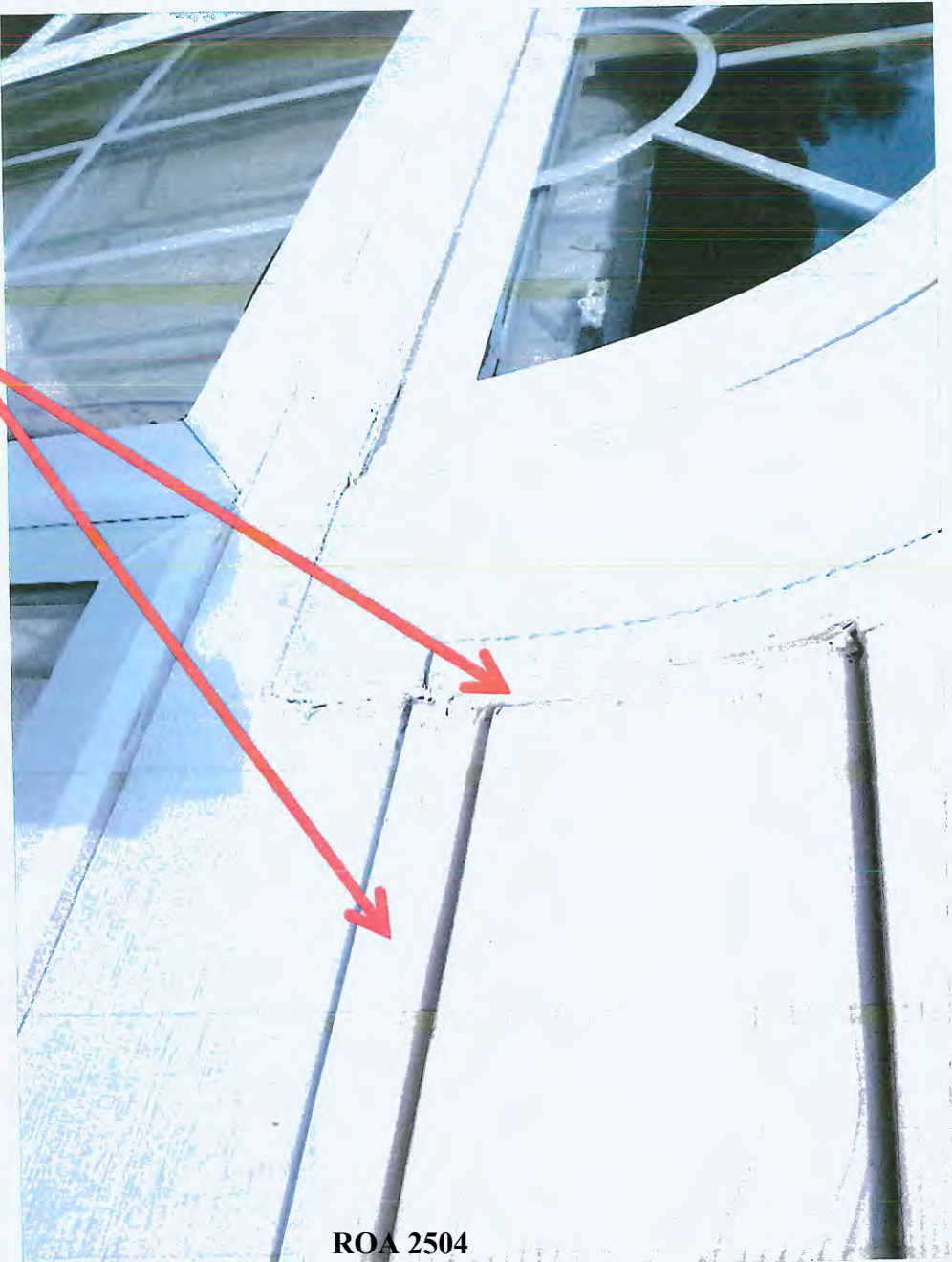


**DEFECTIVE FLASHING-
FALLING APART**

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut



FLASHING SEALED SHUT

ROA 2504

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB



**FLASHING REVERSED WITH
WRB**

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage

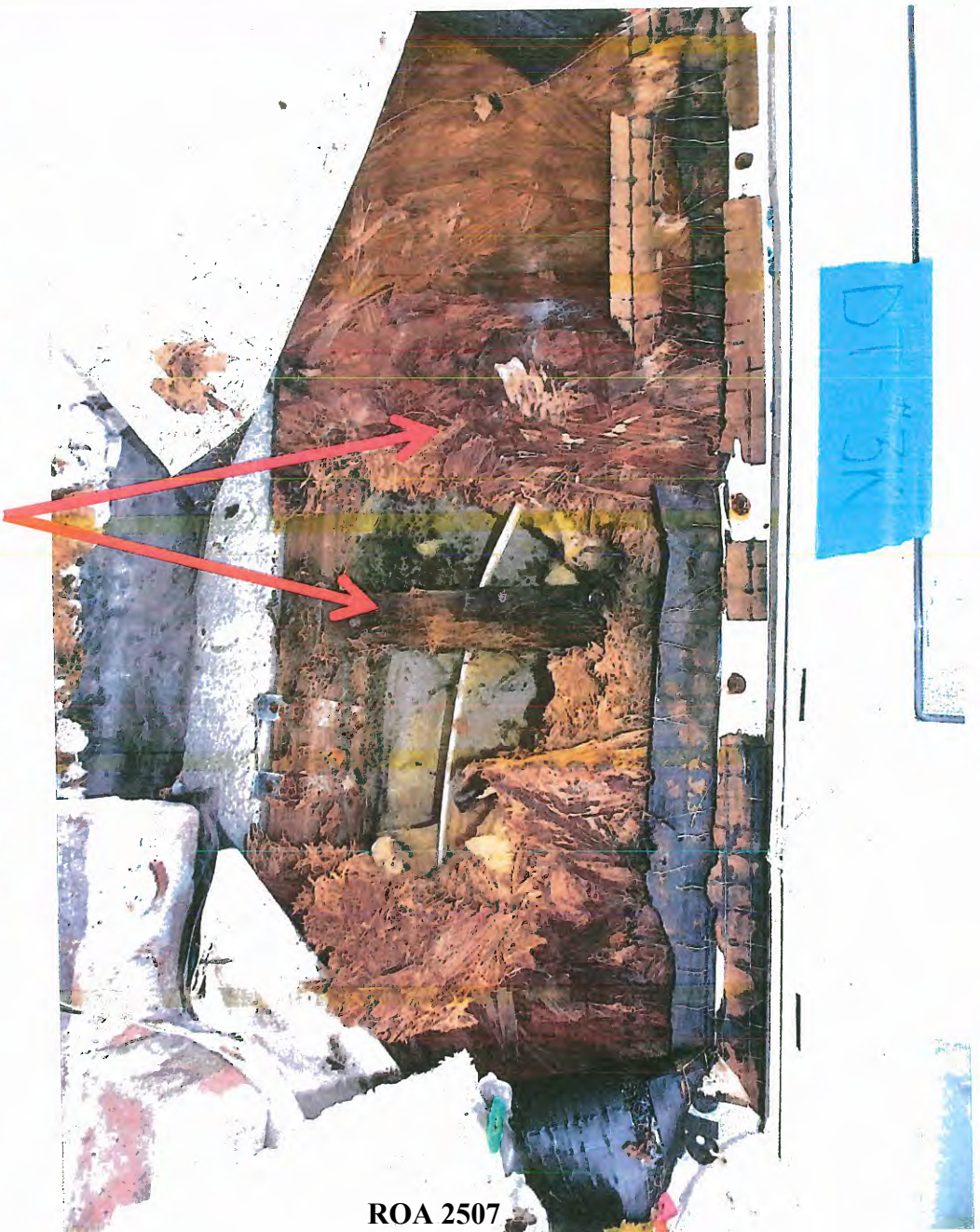


ROTTED WOOD SHEATHING AND FRAMING

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage



ROTTED WOOD SHEATHING AND FRAMING

ROA 2507

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage



ROTTED WOOD SHEATHING AND FRAMING

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage



ROTTED WOOD SHEATHING

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage

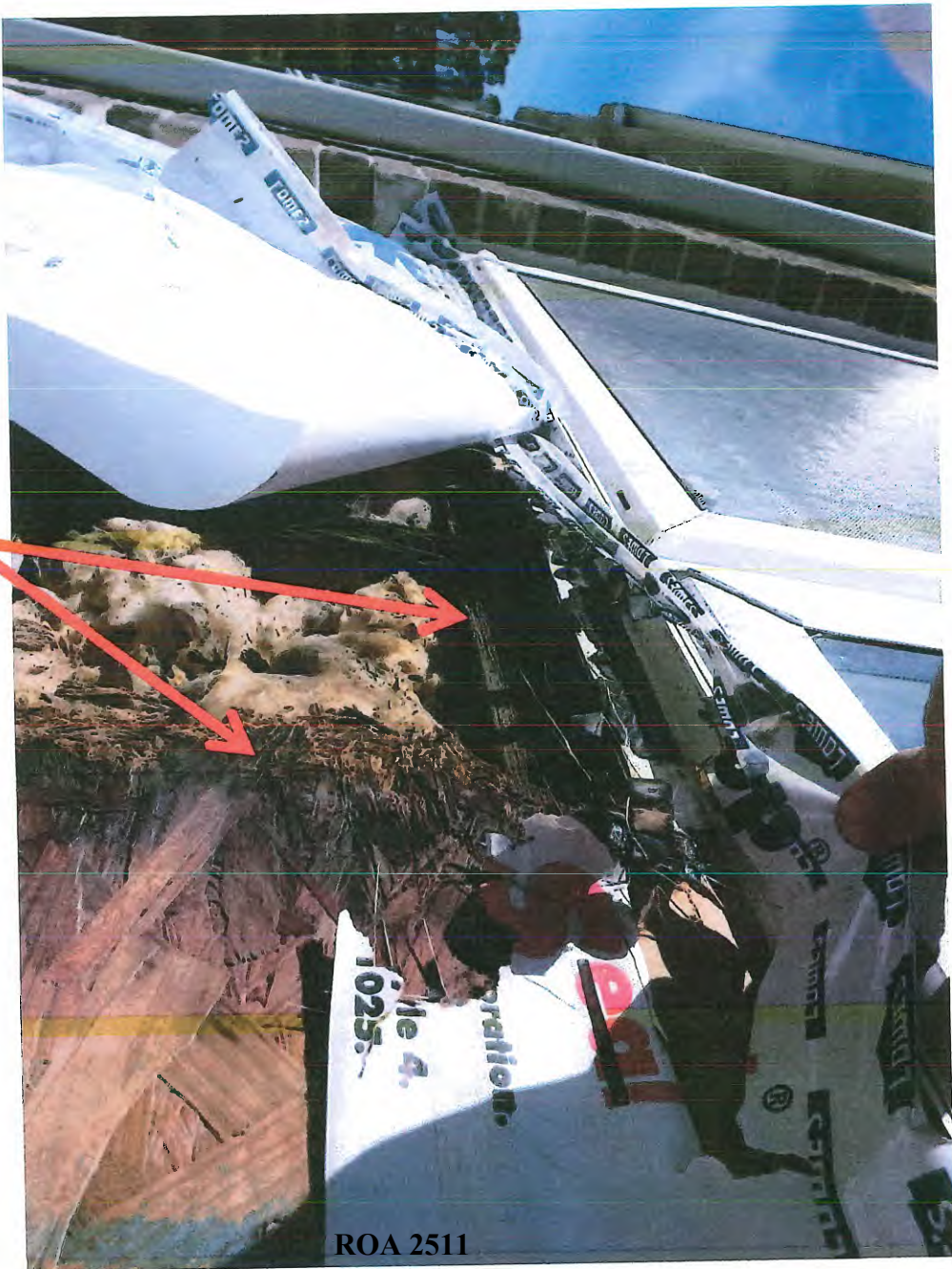


ROTTED WOOD SHEATHING AND FRAMING

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage



ROTTED WOOD SHEATHING AND FRAMING

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage



ROTTED WOOD SHEATHING

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage



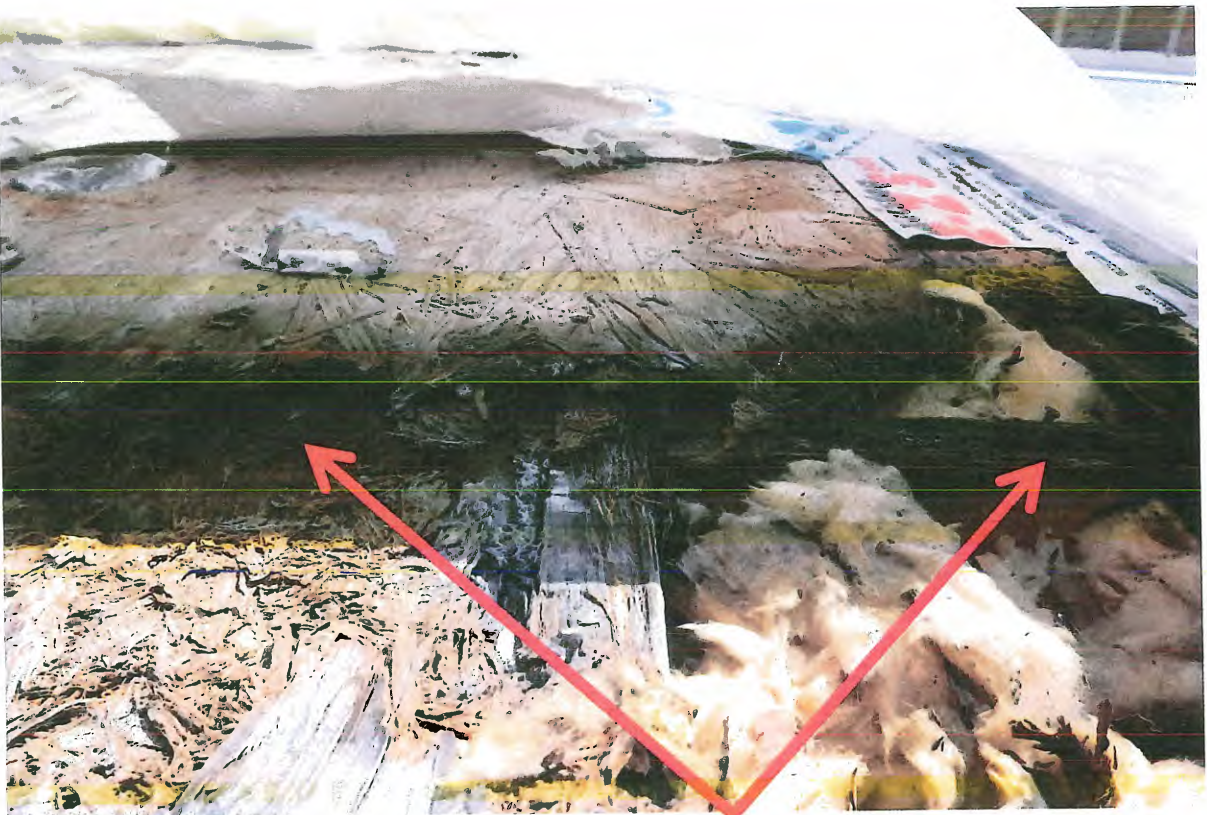
ROTTED WOOD SHEATHING AND FRAMING

ROA 2513

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage



**ROTTED WOOD
SHEATHING AND
FRAMING**

ROA 2514

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage

Requirements

- Standard Building Code

1403.1.4 Flashing shall be provided as necessary to prevent the entrance of water at openings in or projections through veneered walls. Flashing shall be provided at intersections of veneered walls of different materials unless such materials provide a self-flashing joint and at other points subject to the entrance of water. Caulking

2303.3 Moisture protection. Surfaces exposed to the weather shall have an approved barrier to protect the structural frame and the interior wall covering. The barrier shall be at least Type 15 felt or kraft waterproof building paper. Building paper and felt shall be free from holes and breaks other than those created by fasteners and construction systems due to attaching of the barrier, and shall be applied over studs or sheathing of all exterior walls. Such felt or paper shall be applied horizontally with the upper layer lapped over the lower layer not less than 2 inches (51 mm). Where verti-

WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage

Requirements

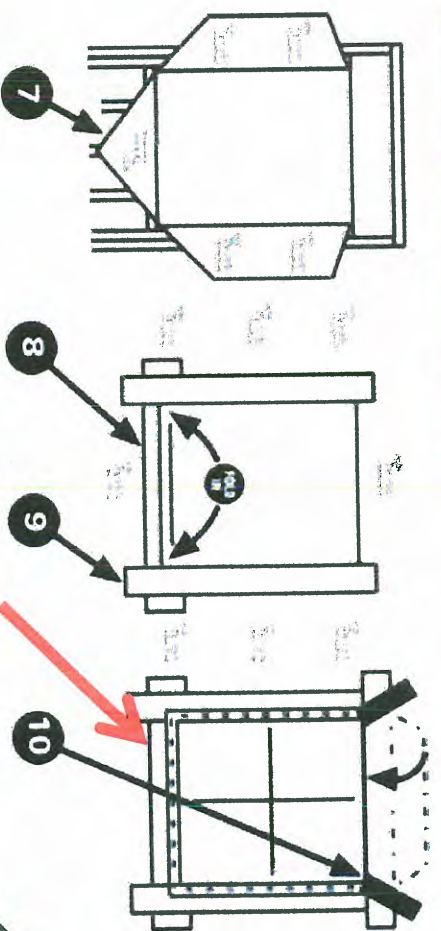
- Standard Building Code
- Tyvek Installation Instructions

7. FOLD flaps inside around window or door openings. Fasten every 6". Trim excess Tyvek. ®

8. Tack up bottom sill flashina, overlapping rough sill by 4"-5". As a best practice, make two vertical corner cuts in the flashing. **FOLD flashing inside over rough sill.**

9. Tack up side flashings, **OVERLAPPING** bottom sill flashing. **Then, install window or door according to manufacturer instructions.**

10. Cut two 450 angles in Tyvek® from each top window corner. Install head flashing **UNDER** top flap of Tyvek,® **OVER** window flange. Extend flashing out **OVER** side flashings by 3-4". Fold top flap of Tyvek® OVER head flashina. TAPE both diagonal cuts.



SILL FLASHING BEHIND WINDOW FLANGE

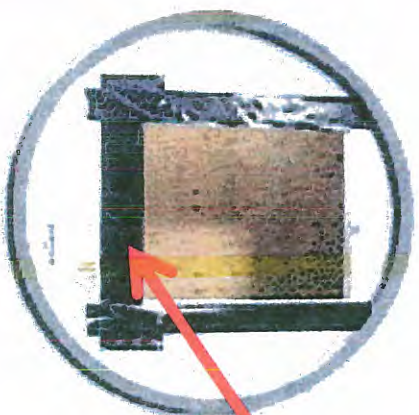
WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage

Requirements

- Standard Building Code
- Tyvek Installation Instructions



**SILL FLASHING
BEHIND WINDOW
FLANGE**

Here is an example of a properly flashed window opening. Top flashing is installed AFTER window is installed.

11

If the windows are installed before wrapping with Tyvek,® flash all sides of window, roll Tyvek® over window, cut Tyvek® around window flange. PULL sill and jamb flashing out to overlap Tyvek® at window bottom.



ROA 2517

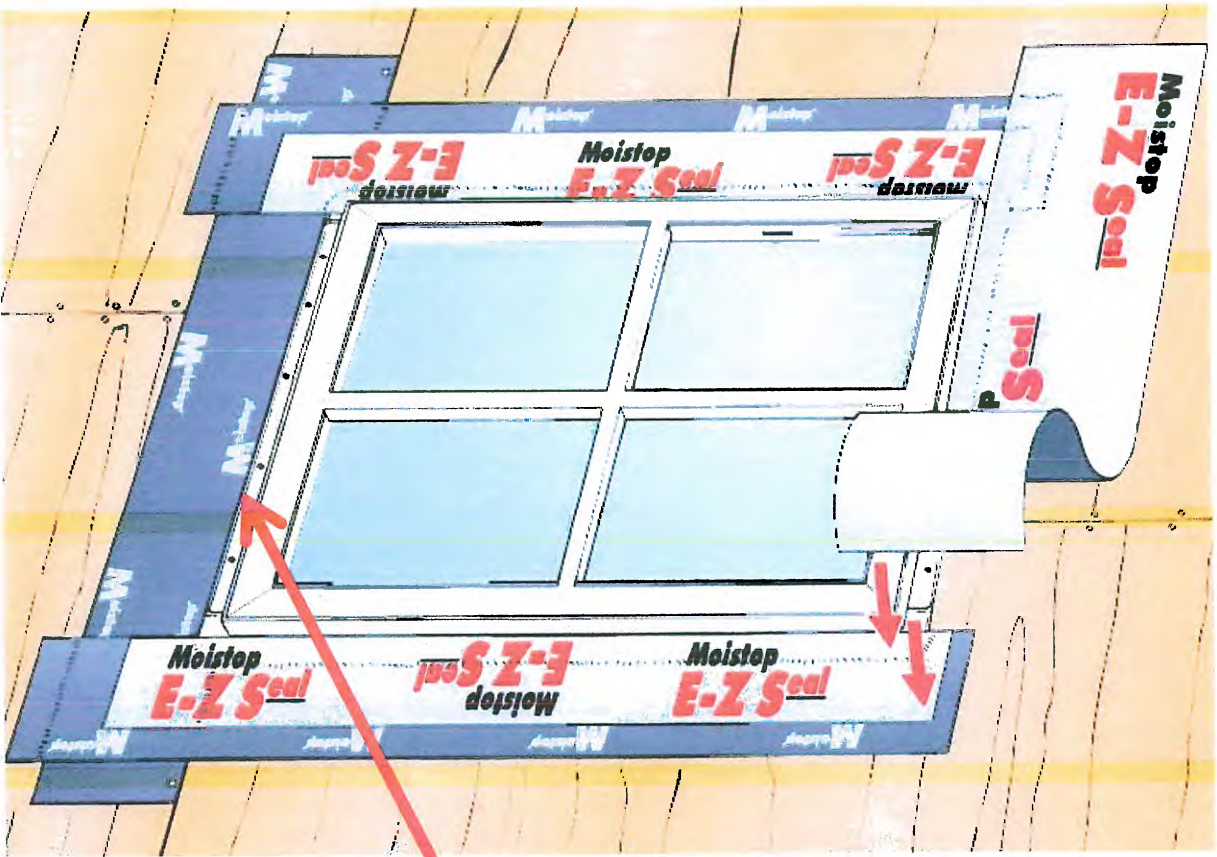
WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage

Requirements

- Standard Building Code
- Tyvek Installation Instructions
- Moistop E-Z Seal Installation Instructions



**SILL FLASHING
BEHIND
WINDOW
FLANGE**

ROA 2518

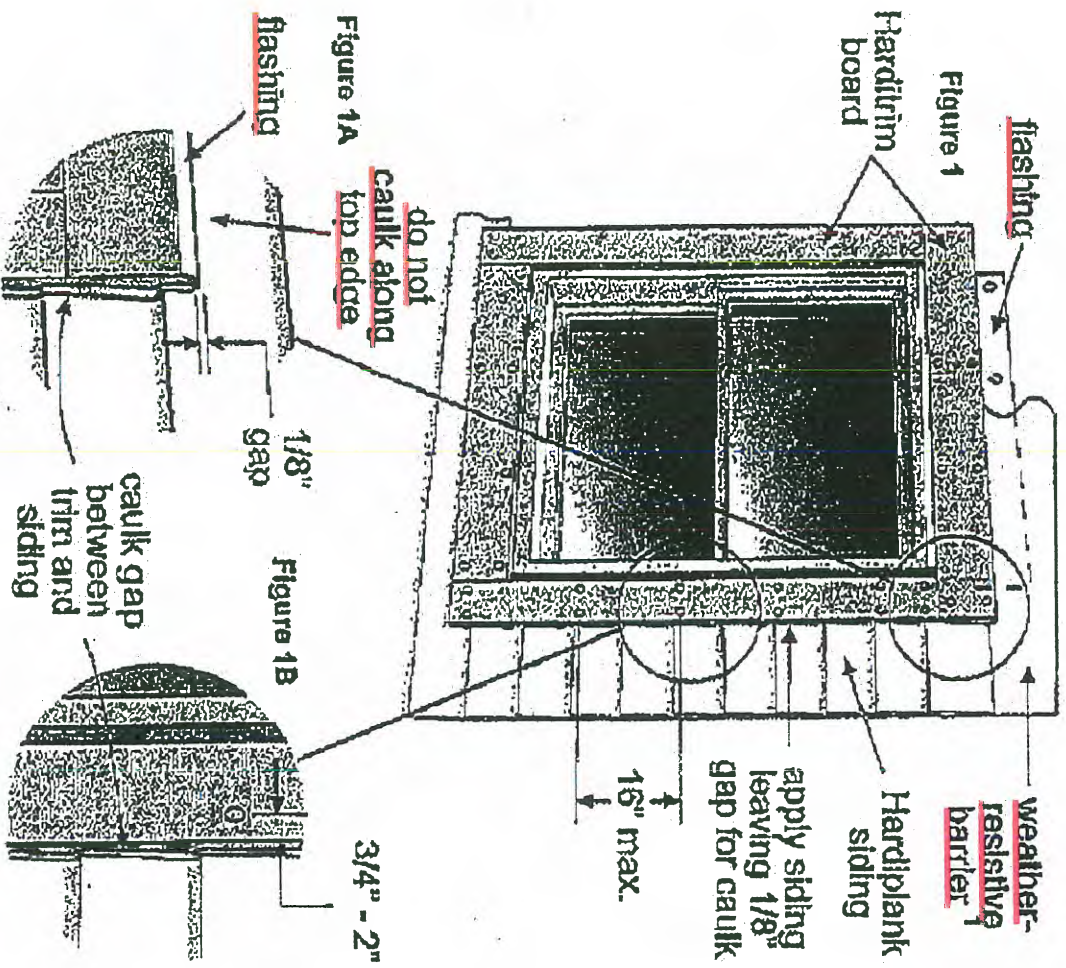
WINDOW INSTALLATION: IMPROPER FLASHING

As-Built Conditions

- Rough opening flashing and WRB improperly installed over the sill nailing fin
- Failed flashing material
- Flashing sealed shut
- Flashing reverse lapped with WRB
- Hidden damage

Requirements

- Standard Building Code
- Tyvek Installation Instructions
- Moistop E-Z Seal Installation Instructions
- Harditrim Installation Instructions



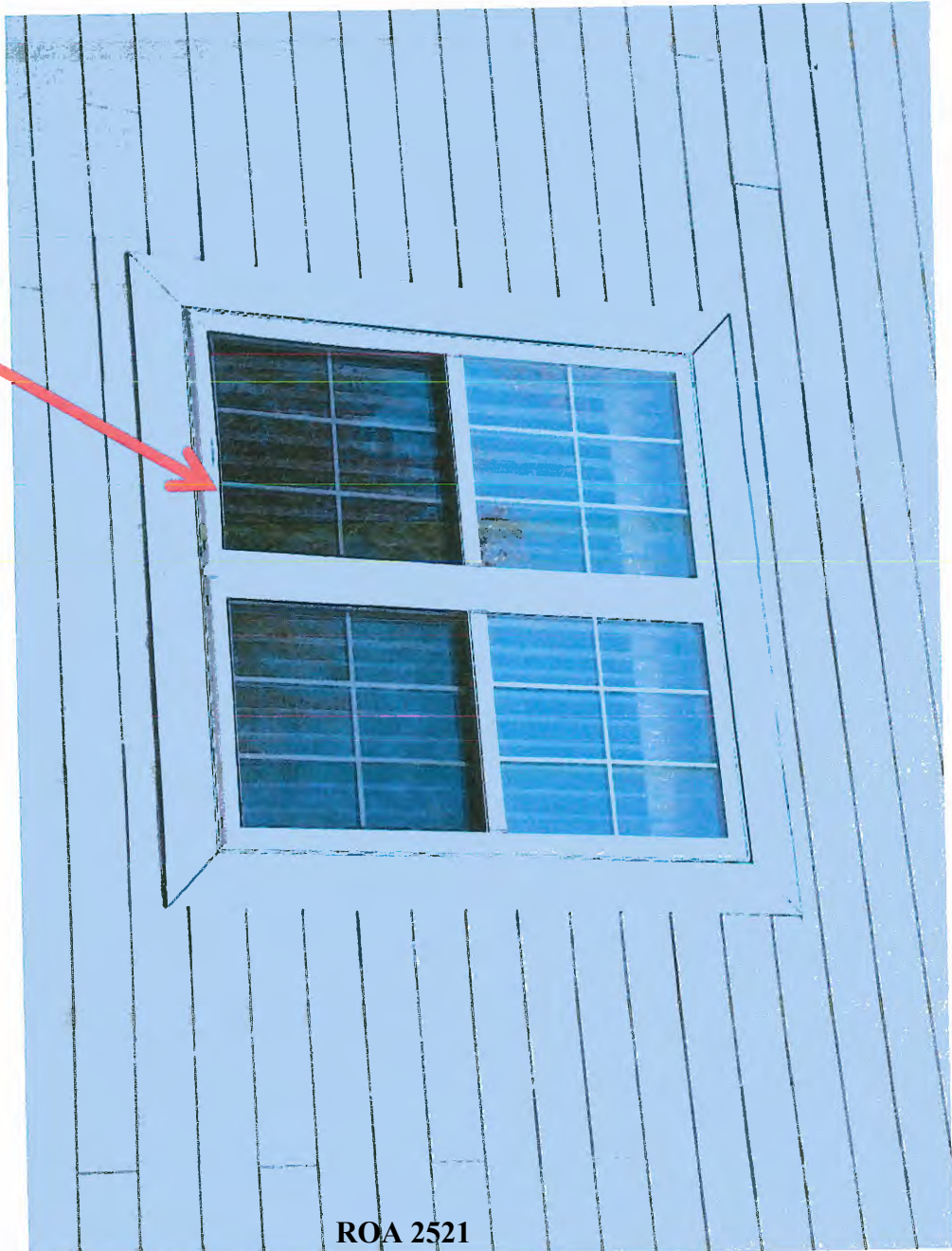
FINDINGS

- Exterior Walls
- Roofs
- Walkways
- Stairs
- Attics
- Shear Walls
- Floor/Ceiling Assemblies
- Accessibility
- Vapor Barrier
- Window Installation
- Improper Flashing
- Improper Mulling

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves



DOUBLE MULLLED WINDOW

ROA 2521

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves



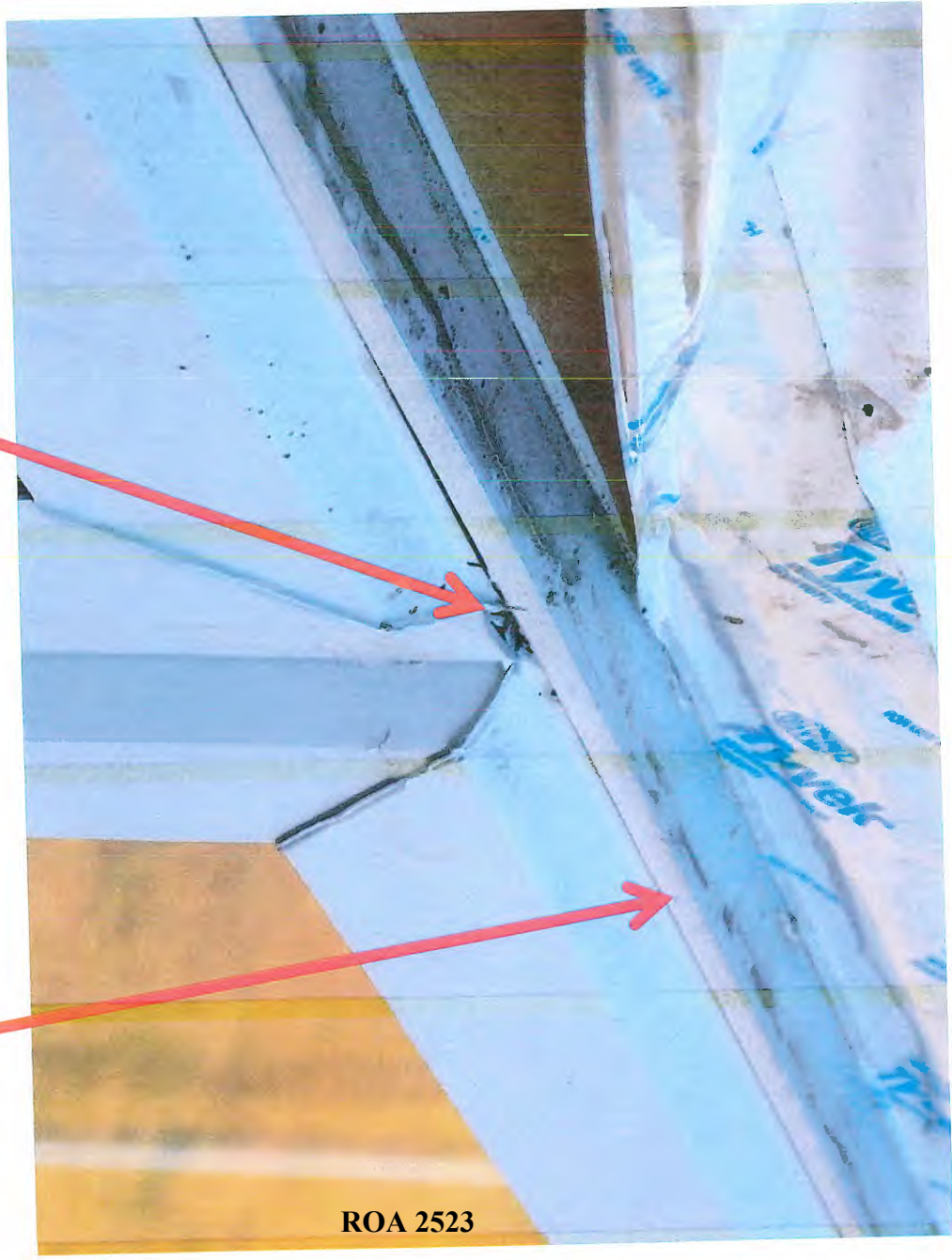
**TRIPLE MULLED
WINDOW**

ROA 2522

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

Mull joints missing sealant and mullions not installed even with mull grooves



MULL JOINT MISSING SEALANT AND MULLION NOT EVEN WITH MULL GROOVES

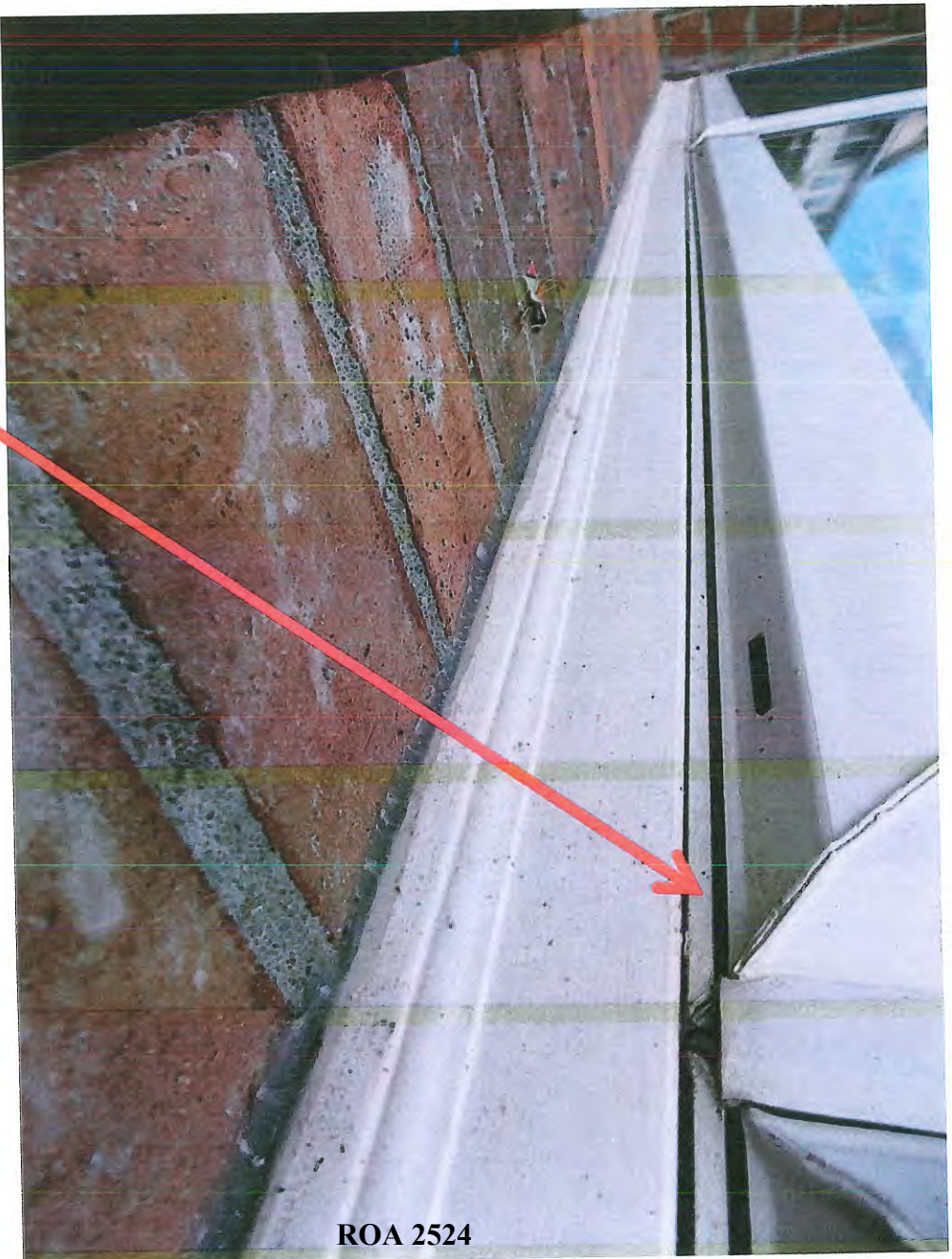
DRIP CAP

ROA 2523

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows



**DRIP CAP AND SEALANT
MISSING AT SILL OF
WINDOW**

ROA 2524

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows



**DRIP CAP AND SEALANT
MISSING AT SILL OF
WINDOW**

ROA 2525

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows



**ROTTED WOOD BELOW
MULL JOINT**

ROA 2526

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows



**DRIP CAP AND SEALANT
MISSING AT SILL OF
WINDOW**

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows



**ROTTED SHEATHING
BELOW MULL JOINT**

ROA 2528

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows



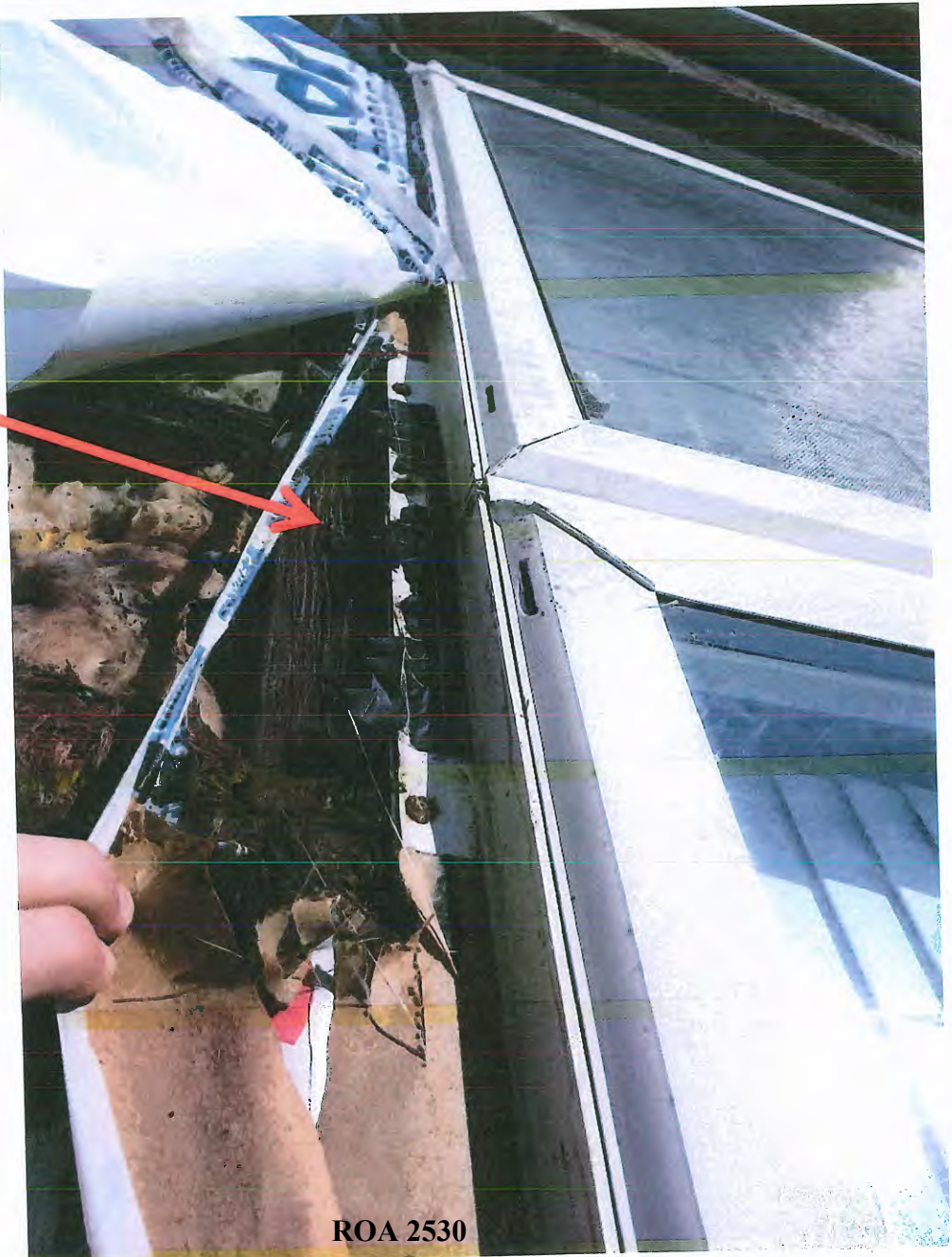
**ROTTED SHEATHING
AND FRAMING BELOW
MULL JOINT**

ROA 2529

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows



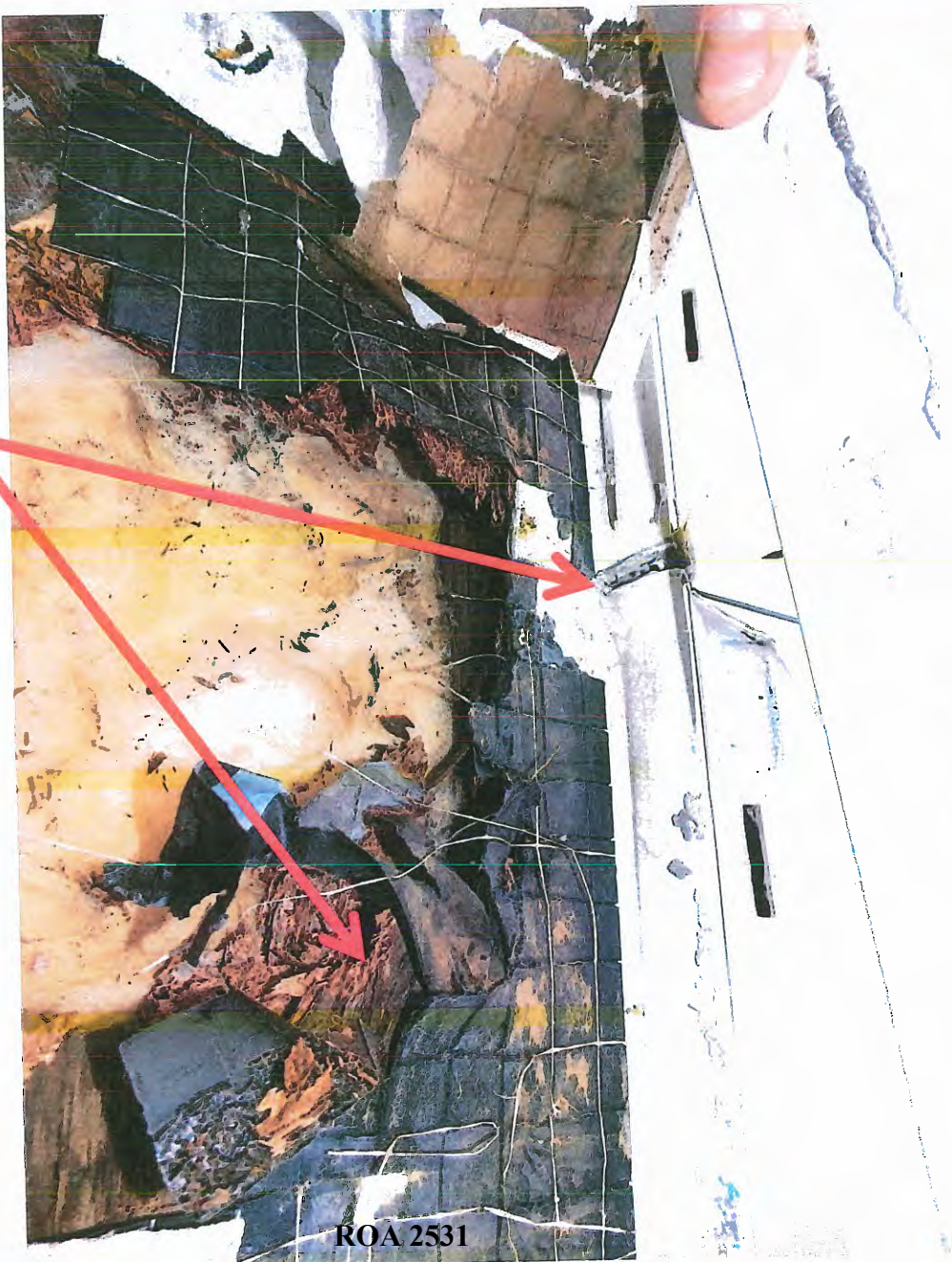
**ROTTED FRAMING
BELOW MULL JOINT**

ROA 2530

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows

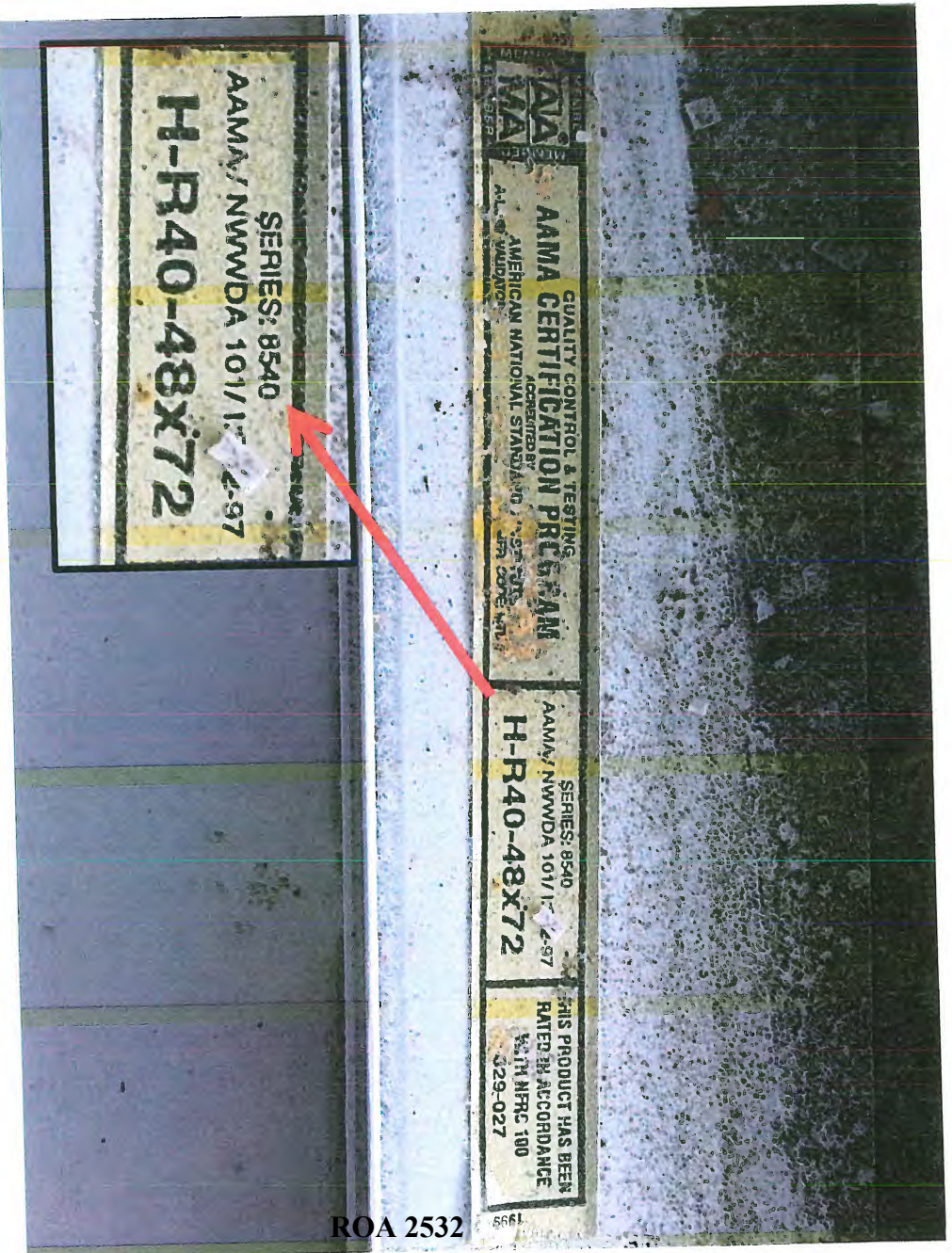


**ROTTED SHEATHING AND
FRAMING BELOW MULL
JOINT**

WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
 - Drip cap and sealant not installed at sill of windows
- Requirements**
- MI Window Mulling Instructions for 8500 Series Windows



SERIES 8540 WINDOWS

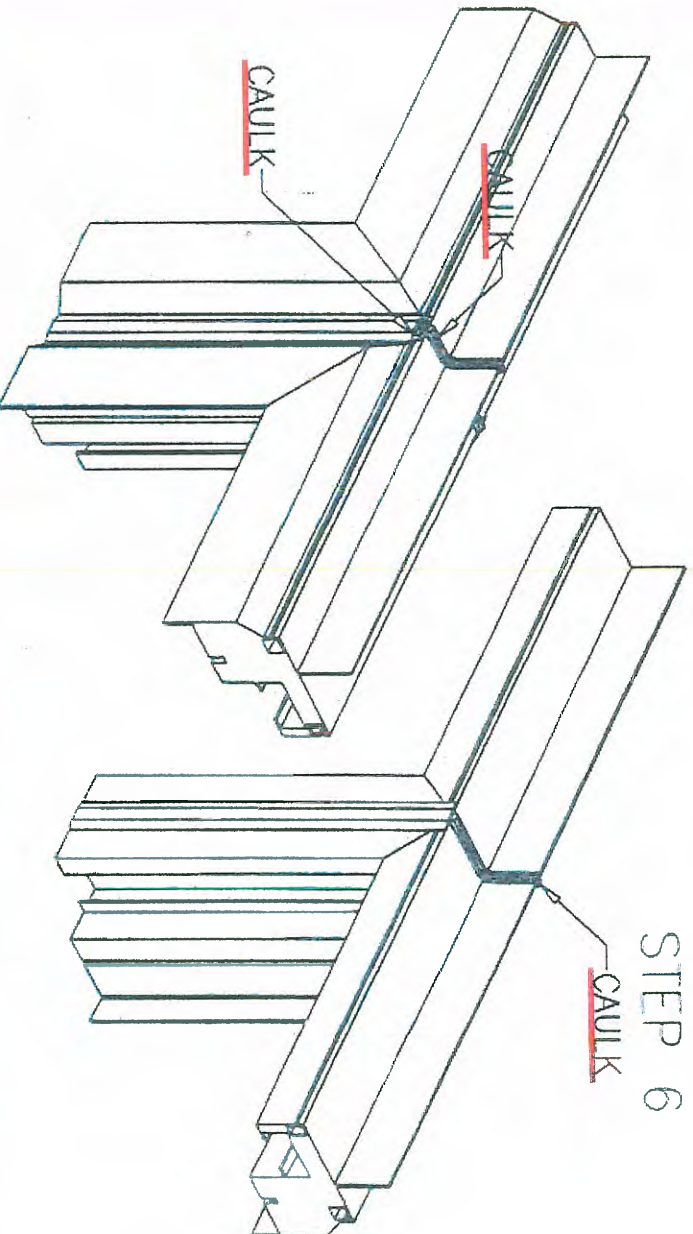
WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows

Requirements

- MI Window Mulling Instructions for 8500 Series Windows



IMPORTANT: USE A QUALITY SILICONE WHEN CAULKING.
APPLY CAULK ACROSS JOINT WHERE FRAMES MEET. (HEAD & SILL)
APPLY CAULK ACROSS JOINT WHERE NAILING FINN MEET
APPLY CAULK INTO MULL GROOVES AND ACROSS TOP OF MULL.

ROA 2533

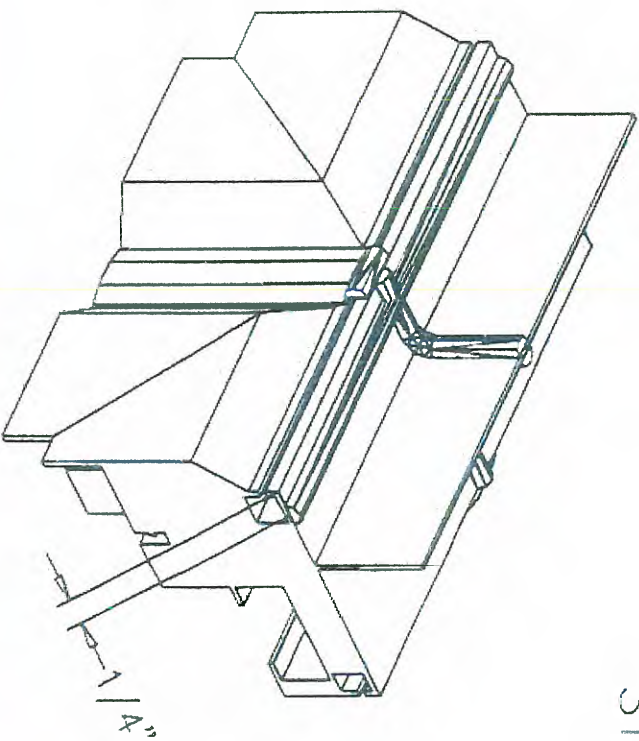
WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows

Requirements

- MI Window Mulling Instructions for 8500 Series Windows



STEP 7

IMPORTANT: USE A QUALITY SILICONE WHEN CAULKING.
APPLY 1/4" BEAD OF CAULK ACROSS HEAD AND SILL OF BOTH WINDOWS
BEFORE APPLYING DRIP CAPS.
(APPROX. 1/4" AWAY FROM EDGE OF MAIN FRAME).

ROA 2534

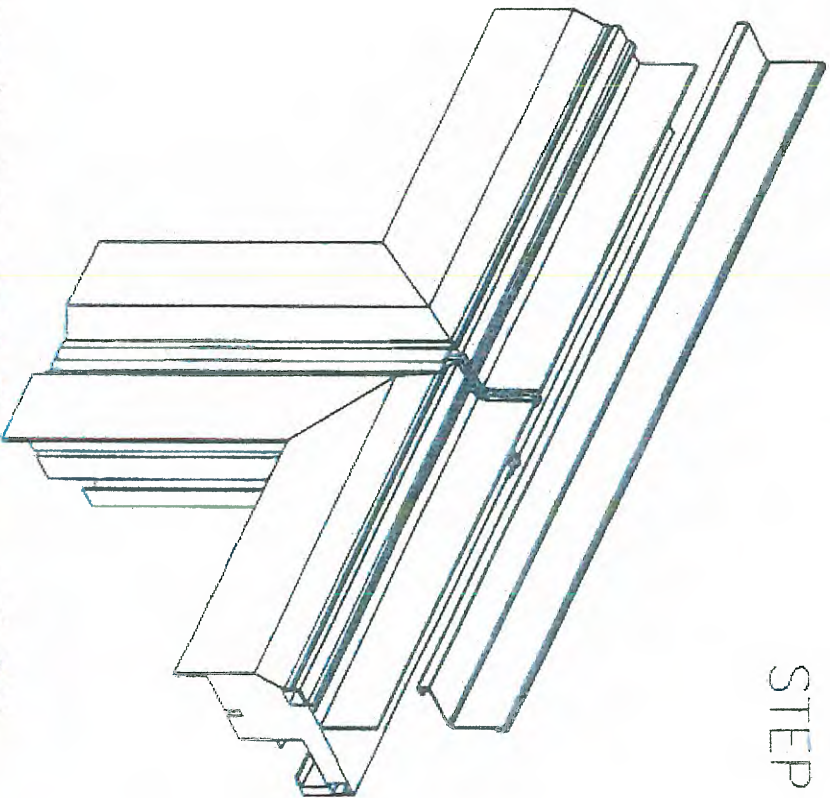
WINDOW INSTALLATION: IMPROPER MULLING

As-Built Conditions

- Mull joints missing sealant and mullions not installed even with mull grooves
- Drip cap and sealant not installed at sill of windows

Requirements

- MI Window Mulling Instructions for 8500 Series Windows



STEP 8

APPLY CONTINUOUS DRIP CAPS TO HEAD AND SILL.
(HOOK ON FIN AND ROTATE INTO MULL GROOVE).

ROA 2535



H2L FINDINGS

DESTRUCTIVE TESTING

- Dates of H2L's site visits with destructive testing:
 - January 7, 2019
 - September 16 through 19, 2019
 - June 9 and 10, 2020
- Fuller attended H2L's site visits and observed their destructive testing
- Consistent with Fuller's findings, H2L's destructive testing also found defective construction that has resulted in hidden damage within the exterior walls of the buildings



H2L FINDINGS

WATER DAMAGE BELOW WINDOWS



H2L FINDINGS

WATER DAMAGE BELOW WINDOWS



H2L FINDINGS

WATER DAMAGE BELOW WINDOWS



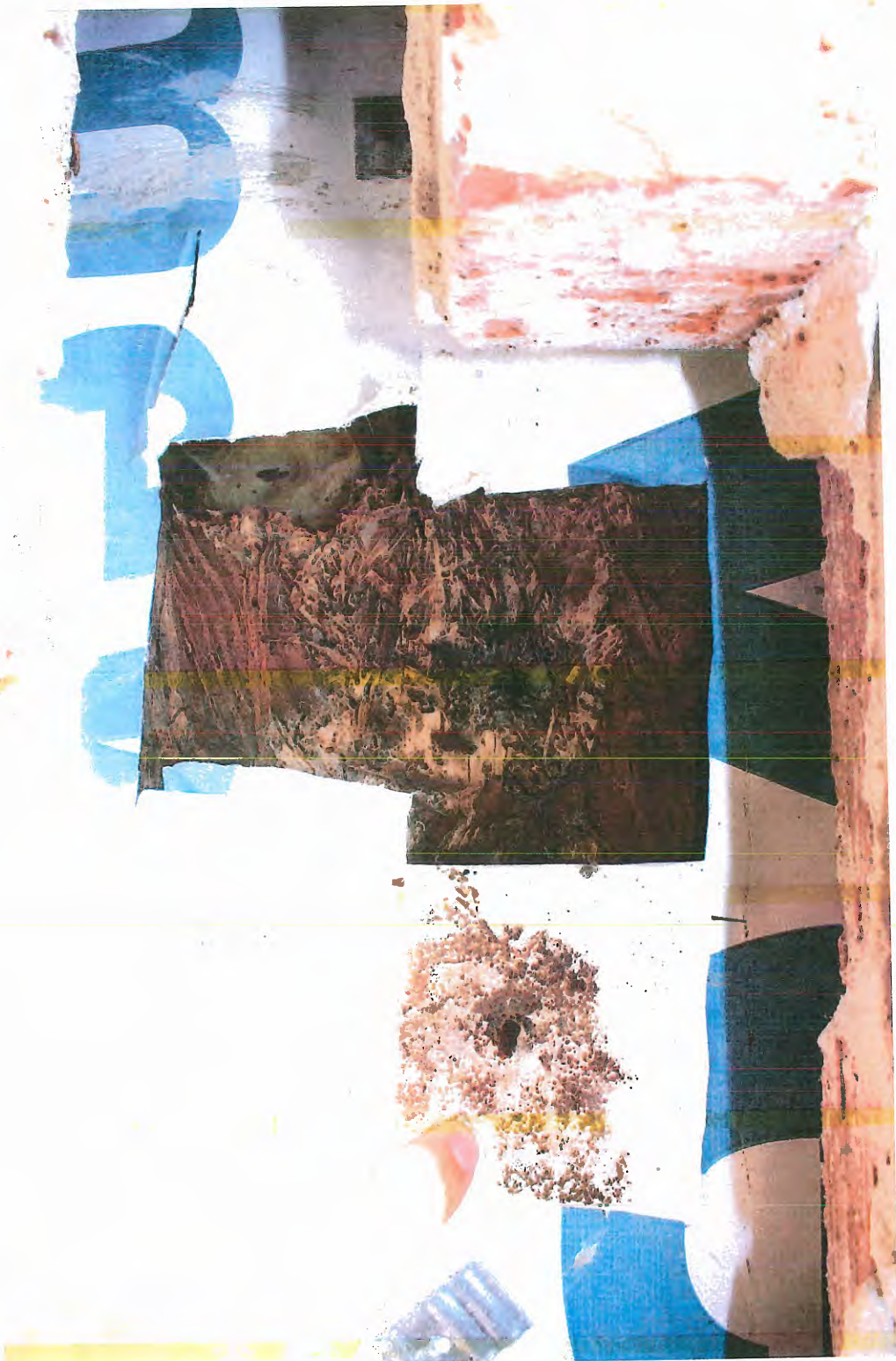
H2L FINDINGS

WATER DAMAGE BELOW WINDOWS



H2L FINDINGS

WATER DAMAGE BELOW WINDOWS



H2L FINDINGS

WATER DAMAGE BELOW WINDOWS



H2L FINDINGS

WATER DAMAGE BELOW WINDOWS



H2L FINDINGS
WATER DAMAGE BELOW WINDOWS



H2L FINDINGS

WATER DAMAGE BELOW WINDOWS



H2L FINDINGS
FLASHING NOT LAPPED WITH WRB



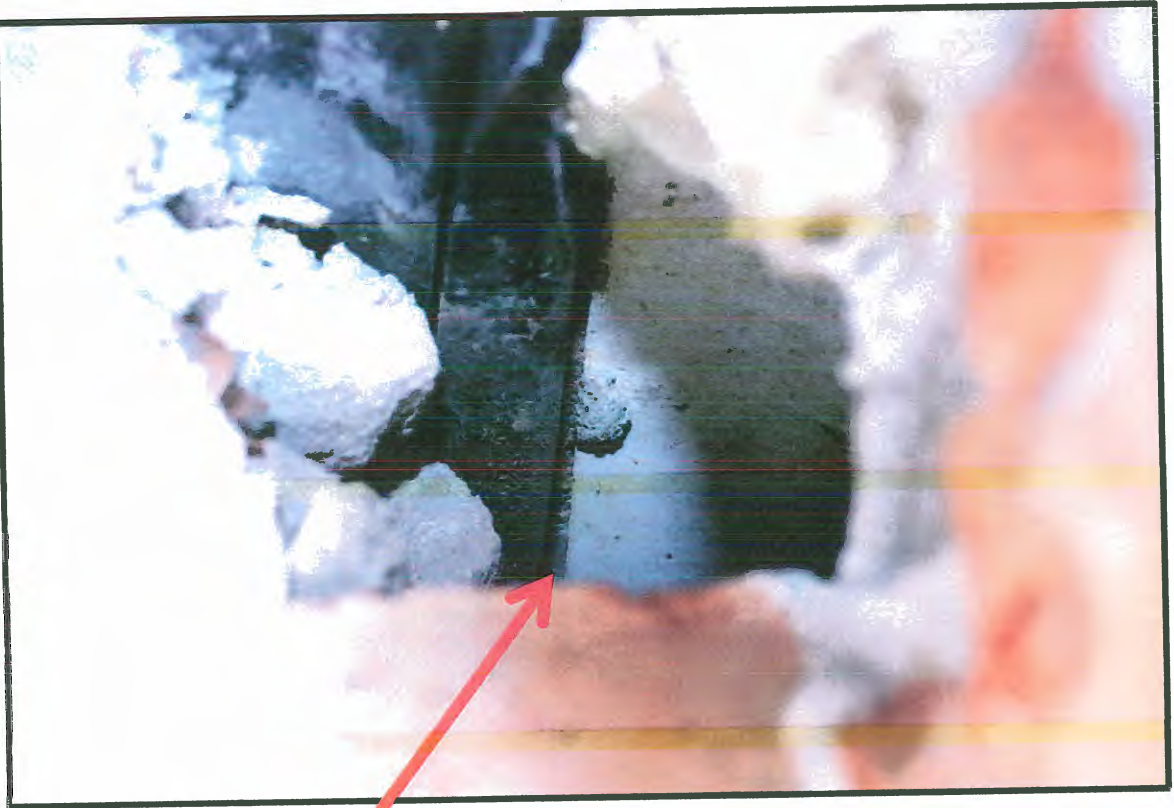
H2L FINDINGS

FLASHING NOT LAPPED WITH WRB



H2L FINDINGS

FLASHING NOT LAPPED WITH WRB



"H2L found the through-wall-flashing to be satisfactory and serviceable and contrary to the Fuller report, we do not find the thru wall flashing to be reverse lapped."

H2L Issue 1.7

ROA 2548



H2L FINDINGS

WATER INTRUSION BEHIND BRICK



ROA 2549



H2L FINDINGS

WATER INTRUSION BEHIND BRICK



H2L FINDINGS

WATER INTRUSION BEHIND BRICK



ROA 2551



H2L FINDINGS

WATER INTRUSION BEHIND BRICK



H2L FINDINGS

WATER INTRUSION BEHIND BRICK



H2L FINDINGS

WATER INTRUSION BEHIND BRICK



H2L FINDINGS

BRICK TIES NOT USED



H2L FINDINGS

BRICK TIES NOT USED



ROA 2556



H2L FINDINGS

BRICK TIES NOT USED



ROA 2557





H2L FINDINGS

MOISTURE READINGS BEHIND SIDING

- H2L's investigation included taking moisture readings of the wood sheathing behind the fiber-cement siding
- Within their report, Issue 1.1, H2L reported having conducted 44 test cuts at areas of fiber-cement siding
- Finding no evidence of water damage

ROA 2558



H2L FINDINGS MOISTURE READINGS BEHIND SIDING



ROA 2559



H2L FINDINGS

MOISTURE READINGS BEHIND SIDING



ROA 2560



H2L FINDINGS
MOISTURE READINGS BEHIND SIDING



ROA 2561





H2L FINDINGS

MOISTURE READINGS AT TRIM

- H2L's investigation included taking moisture readings of trim
- Within their report, Issue 1.6, H2L reported having conducted 984 moisture readings at areas of trim
- They found only 6 of the 984 exceeded a moisture content of 20%



H2L FINDINGS
MOISTURE READINGS AT TRIM



ROA 2563



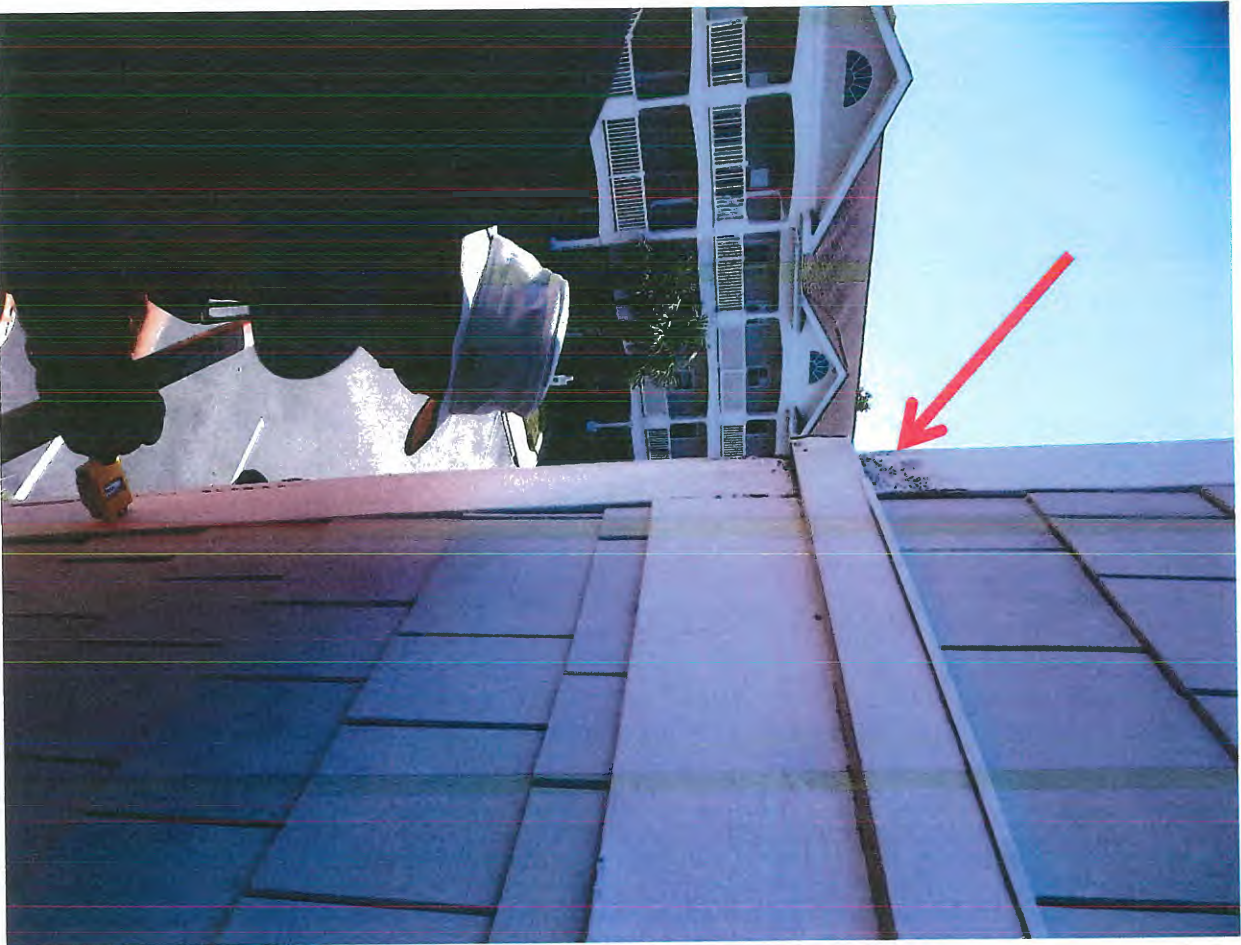
H2L FINDINGS
MOISTURE READINGS AT TRIM



H2L FINDINGS
MOISTURE READINGS AT TRIM



H2L FINDINGS
MOISTURE READINGS AT TRIM



H2L FINDINGS

MOISTURE READINGS AT TRIM

- H2L did not report that they relied on Terracon to conduct a portion of the trim moisture readings
 - Terracon’s work was unsupervised by H2L
 - Performed by inexperienced Terracon staff
 - Terracon borrowed a moisture meter from H2L, which H2L had left at the front desk of their hotel for Terracon
 - Terracon’s moisture readings included fiber-cement trim and PVC (plastic) trim, as well as MDF trim

H2L FINDINGS

TERRACON MOISTURE READINGS AT TRIM



H2L FINDINGS

TERRACON MOISTURE READINGS AT TRIM



ROA 2569



H2L FINDINGS

TERRACON MOISTURE READINGS AT TRIM



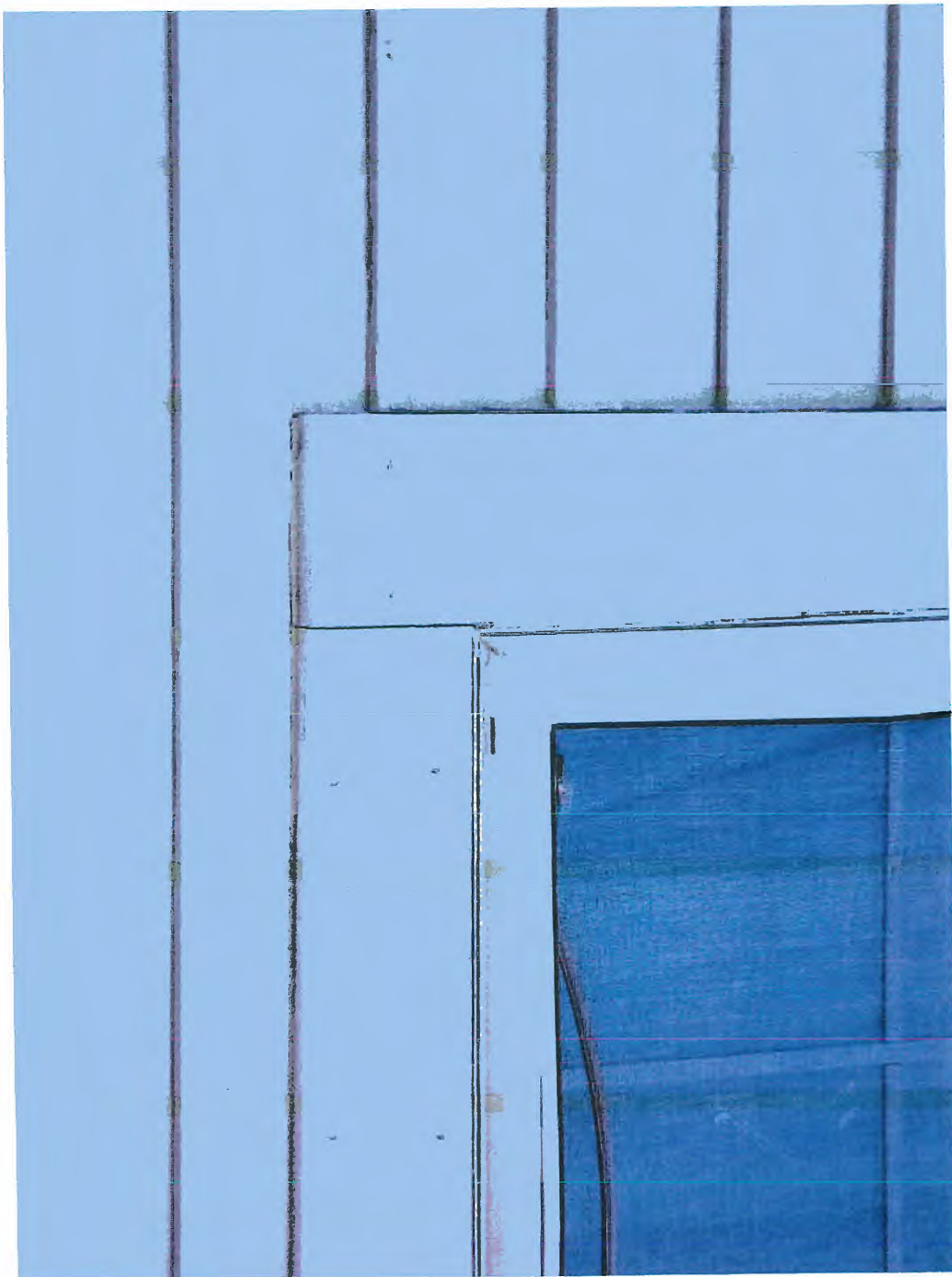
H2L FINDINGS

TERRACON MOISTURE READINGS AT TRIM



H2L FINDINGS

TERRACON MOISTURE READINGS AT TRIM



H2L FINDINGS

TERRACON MOISTURE READINGS AT TRIM



VAPOR BARRIER: EXTERIOR WALLS

H2L October 10, 2019 Email

- Installation of vapor barrier causing damage and needs to be discussed
- Repair expensive and disruptive



Santee Cooper Good Cents
Skid Lewis to: Robert Carter

History:

This message has been forwarded.

10/10/2019 09:39 PM



SanteeCooperGoodCentsFiasco.pdf

BC,

Attached are two papers I came across this evening. Might be worth your reading.

It might be important to confirm if all buildings were constructed compliant with the Good Cents program.

If they were, or in the alternative... all of the ones that were built to comply, may have to be addressed by someone.

The "someone" would need to be determined by legal minds.

For buildings that were built this way, the only fix of which I am aware involves removal of all interior
GWB on exterior wood stud walls, removal of the vapor barrier material, and repair of damaged
studs/sheathing....a costly affair

The reason I bring this up is that some of the photos I have seen of brick veneer which, as reported by others, allegedly separated from the sheathing because of a failure to engage brick ties. Where the picture is taken, there is also deterioration of OSB. I suspect the real reason for veneer wall detachment is likely that sheathing has deteriorated from moisture in the stud cavity resulting from the interior side polyethylene vapor barrier and the inability of sheathing to provide an anchor for the corrugated ties.

This, in my judgment, is a very big deal and needs to be discussed with counsel asap...before we
issue any reports. It is quite possible that recurring high humidity levels inside the stud cavities is a
root cause of all or most of the weather related issues being found at the exterior wall coverings.
Repairs to correct would be expensive and disruptive. Work theoretically could be done from
inside, or outside. For the earlier ones on which I was involved, we did repair work from the
outside

Skid Lewis

H2L Consulting Engineers
116 South Pleasantburg Dr.
Greenville, SC 29607
(864) 233-8844



FULLER
envelope

VAPOR BARRIER: EXTERIOR WALLS

H2L October 10, 2019 Email

- Installation of vapor barrier causing damage and needs to be discussed
- Repair expensive and disruptive

H2L November 14, 2019

Report

- H2L reports installation of vapor barrier is not a code violation
- H2L states vapor barrier was appropriate and met industry standard

1.10 Installation of Vapor Barrier on Interior Side of Exterior Wall:

H2L Assessment: The installation of a vapor barrier on the interior side of the exterior wall is not a code violation. The installation, at that time, was appropriate and encouraged by Horry Electric as an energy savings program and met the industry standard and standard of workmanship.

ROA 57

MORNINGSTAR REPORTS

ORIGINAL CONSTRUCTION

- During original construction, Morningstar Consultants made site visits to inspect the quality of Centex's work
- Morningstar held regular meetings with Centex's project managers
- Morningstar found deficient construction and reported that to Centex
- Fuller has reviewed Morningstar's reports and has found that defective construction reported by Morningstar to Centex was still present during our investigation in 2016

ROA 2576



MORNINGSTAR REPORTS

ORIGINAL CONSTRUCTION

DEFECTS REPORTED BY MORNINGSTAR AND OBSERVED BY FULLER			
Issue	Building(s)	Report(s)	Photo(s)
Raw edge of unprimed wood trim in contact with slabs or near soil. Prime and flash behind wood product material at rowlocks and slabs to reduce wicking action	WW-02/WW-09	Report 4 (Pages 5, 12, 15)	7, 15, 17
	WW-04	Report 7 (Page 20)	115
Overall integrity of the house wrap sealing at patios and porch light receptacles is very critical	General Comment	Report 4 (Page 6)	23, 24, 74
	WW-05	Report 4 (Page 14)	58
Lateral truss bracing missing	WE-06/ WE-08/ WW-04	Report 6 (Pages 12, 13)	57, 70, 74, 88
	WE-08	Report 7 (Page 11)	
Tyvek cut ragged at porch light receptable/Tyvek system breached	WW-02/WW-07	Report 4 (Page 15)	20, 63
	WE-05	Report 5 (Pages 6, 11)	None
Deck waterproofing membrane damaged/cut by screws, ladders, etc.	WW-04	Report 7 (Page 18)	None
	WE-06	Report 7 (Page 18)	None
Deck waterproofing detail in question	WW-05	Report 6 (Page 11)	32, 33
	WW-05	Report 7 (Pages 5, 21)	123-126, 135
Incorrect lintels at arched window head	WW-07	Report 7 (Pages 6, 21)	142, 143



MORNINGSTAR REPORTS
ORIGINAL CONSTRUCTION



WW-02 (Pad 6) Raw Edge Trim Board near Rowlock (Wicking Risk) 7 of 90



MORNINGSTAR REPORTS

ORIGINAL CONSTRUCTION



WW-02 Unit 3-2 Tyvek™ System Breached at Balcony 20 of 90



MORNINGSTAR REPORTS

ORIGINAL CONSTRUCTION



WW-07 Short Lintel Over Window Unsupported at Center 142 of 147



REPAIR SUMMARY

FULLER ENVELOPE

- The construction defects have left the buildings in a substandard condition, allowing water intrusion, and reducing building safety and performance
- The construction defects represent violations of the applicable building codes, accepted industry standards, and manufacturers' instructions
- The construction defects have caused hidden damages that were revealed through Fuller's destructive testing
- In order to fix the construction defects, Fuller has prepared a scope of work and submitted that to Bob Gallagher with Procon and Associates
- Procon has prepared a cost estimate to fix the buildings

ROA 2581



Wedgewood Condominiums

H. Ross Clements, AIA, Principal

FULLER GROUP. LLC
1350 C Cleveland St.
Greenville, SC 29607



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ENGINEERING • ARCHITECTURE • FORENSICS

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
M	Mobilization					
M.1	Scaffolding delivery and return - freight charges	LS	1	3,000.00	3,000.00	South East Access
M.2	Scaffolding erection, dismantle and moves (based on setting up and working on 3 buildings at a time)	LS	1	528,000.00	528,000.00	South East Access
M.3	Dumpster delivery	EA	3	85.00	255.00	Kidd Construction
M.4	Delivery and return of portable toilet's	EA	3	61.68	185.04	Elvis Service Co.
M.5	Delivery and return of lull lift equipment	EA	1	207.26	207.26	United Rentals
M.6	Delivery and return of 20 foot office/storage box	EA	1	270.00	270.00	Elvis Service Co.
M.7	Delivery and return of storage containers - based on three (3) containers	EA	3	270.00	810.00	Elvis Service Co.
M.8	Moving of containers to each building - two moves required - (\$135.00 per container per move)	EA	3	270.00	810.00	Elvis Service Co.
	Section Subtotal				533,537.30	
1.0	Exterior Walls					
1.1	Incomplete Coverage of Weather-Resistive Barrier					
	Labor					
1.1.1	Remove and replace existing weather-resistive barrier where damaged - Allowance (40 % of 86,840 sq ft)	SF	34,736	1.73	60,093.28	MJK Construction
1.1.2	Replace weather-resistive barrier where missing - Allowance (10% of 52,104 sq/ft)	SF	5,211	1.15	5,992.65	MJK Construction
1.1.3	Note: Remove WRB as required to remove and replace damaged framing, sheathing, and insulation				Note	
1.1.4	Note: Reference Issue's 1.5, 1.9 and 4.1 (Total surface area of these areas combined = 124,840 sq/ft)				Note	
1.1.5	Note: Reference Photos 1.1.A through L				Note	
1.1.6	*Alternate Remove and replace entire WRB				Alternate	
	Material					
1.1.7	Tyvek building wrap (9' x 150' = 1,350 sq/ft)	SF	39,947	0.19	7,589.93	Blanton Building Supplies
1.1.8	Tyvek house wrap tape (2" x 165')	EA	60	18.31	1,098.60	Blanton Building Supplies
1.1.9	Wrap caps staple pac (1,000 EA) (Note - one box covers approximately 25 squares)	EA	16	61.68	986.88	Blanton Building Supplies
1.1.10	Stinger auto feed tacker plastic cap	EA	3	88.85	266.55	Blanton Building Supplies
	Section Subtotal				76,027.89	



Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
1.2	Improper Termination and lapping of Weather Resistive Barrier at Waterproofing.					
	Labor					
1.2.1	Properly lap and seal WRB at all terminations w/waterproofing at balcony and walkway locations (216 Loc)	LOC	216	14.38	3,106.08	MJK Construction
1.2.2	Remove and replace damaged framing below balcony and walkway terminations - Allow (25% or 54 Loc)	EA	324	12.08	3,913.92	MJK Construction
1.2.3	Remove and replace damaged sheathing below balcony and walkway terminations - Allow (25% or 54 Loc)	SHT	108	82.80	8,942.40	MJK Construction
1.2.4	Remove and replace damaged insulation below balcony and walkway terminations - Allow (25% or 54 Loc)	SF	3,456	1.15	3,974.40	MJK Construction
1.2.5	Note: Coordinate with 1.1 and 4.2 Repair Scopes					Note
1.2.6	Note: Reference Photos 1.2.A through M					Note
	Material					
1.2.7	Tyvek building wrap (9' x 150' = 1,350 sq/ft)	SF	3,456	0.19	656.64	Blanton Building Supplies
1.2.8	Tyvek house wrap tape (2" x 165')	EA	6	18.31	109.86	Blanton Building Supplies
1.2.9	Wrap caps staple pac (1,000 EA) (Note - one box covers approximately 25 squares)	EA	2	61.68	123.36	Blanton Building Supplies
1.2.10	WRB flashing tape (12" x 75')	EA	6	153.36	920.16	Blanton Building Supplies
1.2.11	Wood sheathing - (4' x 8' x 7/16" - OSB)	EA	108	10.80	1,166.40	Blanton Building Supplies
1.2.12	Wood studs - (2" x 4" x 10')	EA	324	6.90	2,235.60	Blanton Building Supplies
1.2.13	Insulation - (R-13 Batts - one package equals 106.56 sq/ft)	SF	3,456	0.69	2,384.64	The Home Depot
1.2.14	Fasteners for sheathing	EA	10,800	0.02	216.00	Menards.com
1.2.15	Fasteners for studs	EA	3,240	0.03	97.20	The Home Depot
	Section Subtotal				27,846.66	
1.3	Improper Installation of Z-Flashing at Band Board.					
	Labor					
1.3.1	Remove existing band board, wood furring and fiber-cement siding to access Z - flashing	LF	2,000	1.73	3,460.00	MJK Construction
1.3.2	Provide and install new Z - flashing / top & bottom (due to damage during cement siding removal)	LF	4,000	1.73	6,920.00	MJK Construction
1.3.3	Properly lap WRB over vertical leg of Z - flashing	LF	2,000	1.15	2,300.00	MJK Construction
1.3.4	Install new wood furring per 1.4 Repair Scope - (Included)	1.4	0		Included	Included in line Item 1.4
1.3.5	Install new band board to match existing leaving a minimum of 1/4" gap between BB & Z- flashing	LF	2,000	2.88	5,760.00	MJK Construction
1.3.6	Prepare, prime, paint and seal as required	LF	2,000	2.30	4,600.00	MJK Construction
1.3.7	Apply new sealants	LF	2,000	1.44	2,880.00	MJK Construction
1.3.8	Note: Coordinate with 1.1, 1.4, 1.5, and 1.6 Repair Scopes					Note
1.3.9	Note: Reference Photos 1.3.A through L					Note
	Material					
1.3.10	New Aluminum Z- flashing (8' each)	EA	500	13.40	6,700.00	Trim Bender
1.3.11	WRB flashing tape (12" x 75')	EA	27	153.36	4,140.72	Blanton Building Supplies
1.3.12	New band board - James Hardie 4' x 8' panels cut to 13" in width	SHT	84	53.95	4,531.80	Blanton Building Supplies
1.3.14	Paint - intermediate and top coat	SF	2,000	0.22	440.00	The Home Depot
1.3.15	Exterior sealant	LF	2,000	0.35	700.00	Lowe's Home Improvement
1.3.16	Fasteners 1/4 lb box = 150	EA	28	4.05	113.40	Trim Bender
	Section Subtotal				42,545.92	

Wedgewood Condominiums
Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
1.4	Inadequate Protection of Non-Preservative Treated Wood Furring.					
	Labor					
1.4.1	Remove existing wood furring behind band board during repairs to Z - flashing in 1.3 Repair Scope	LF	6,000	1.73	10,380.00	MJK Construction
1.4.2	Install new preservative treated wood for furring outboard of WRB	LF	6,000	1.15	6,900.00	MJK Construction
1.4.3	Note: Reference Photos 1.4.A, B and C					Note
1.4.4	*Alternate: Install new 11.25" wide 5/4 fiber-cement trim for band board with no furring					Alternate
	Material					
1.4.5	PT - wood studs - (2" x 4" x 10')	EA	600	6.90	4,140.00	Blanton Building Supplies
1.4.6	Fasteners for PT lumber	EA	600	0.12	72.00	The Home Depot
	Section Subtotal				21,492.00	
1.5	Inadequate Attachment and Installation of Fiber-Cement Siding.					
	Labor					
1.5.1	Remove existing fiber cement siding	SF	82,000	2.59	212,380.00	MJK Construction
1.5.2	Prior to installation of cladding, seal existing fastener holes in WRB where applicable - Allow (50%)	SF	41,000	0.58	23,780.00	MJK Construction
1.5.3	Install new fiber cement siding in accordance w/mfg. instructions, using required fasteners at studs	SQ	820	402.50	330,050.00	MJK Construction
1.5.4	Prepare, prime, paint, and seal as required	SF	82,000	2.30	188,600.00	MJK Construction
1.5.5	Apply new sealants	LF	20,500	1.44	29,520.00	MJK Construction
1.5.6	Note: New siding width to match existing					Note
1.5.7	Note: Reference Photos 1.5.A through F					Note
	Material					
1.5.8	Tyvek tape for sealing holes	EA	30	18.31	549.30	Blanton Building Supplies
1.5.9	New James Hardie fiber cement lap siding (7-1/4")	SQ	820	185.44	152,060.80	Blanton Building Supplies
1.5.10	Paint - intermediate and top coat	SF	82,000	0.22	18,040.00	The Home Depot
1.5.11	Exterior sealant	LF	20,500	0.35	7,175.00	Lowe's Home Improvement
1.5.12	Fasteners	EA	34	67.17	2,283.78	Blanton Building Supplies
	Section Subtotal				964,438.88	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
1.6	Inadequate Attachment of Fiber-Cement Trim and Unprimed Edges of Engineered Trim.					
	Labor					
1.6.1	Removal of all existing trim is required to complete repairs;	LF	70,000	1.15	80,500.00	MJK Construction
1.6.2	● Includes all trim at doors (Coordinate with Section 2.0 Repair Scope)	INC			Included	
1.6.3	● Includes all trim at windows (Coordinate with Section 2.0 Repair Scope)	INC			Included	
1.6.4	● Includes all trim at corners	INC			Included	
1.6.5	Install new fiber cement trim in accordance w/mfg. instructions, attach w/required fastener spacing	LF	70,000	1.73	121,100.00	MJK Construction
1.6.6	Prepare, prime, paint, and seal new trim	LF	70,000	2.30	161,000.00	MJK Construction
1.6.7	Apply new sealants	LF	70,000	1.44	100,800.00	MJK Construction
1.6.8	Note: New fiber cement trim to match width and thickness of existing trim				Note	
1.6.9	Note: Reference Photos 1.6.A through F				Note	
	Material					
	New James Hardie fiber cement trim:					
1.6.10	● 5/4" x 3.5" x 12'	LF	33,595	2.11	70,885.45	Blanton Building Supplies
1.6.11	● 5/4" x 5.5" x 12'	LF	23,540	3.27	76,975.80	Blanton Building Supplies
1.6.12	● 5/4" x 7.5" x 12'	LF	7,465	4.36	32,547.40	Blanton Building Supplies
1.6.13	New PVC brick mould	LF	5,400	1.64	8,856.00	The Home Depot
1.6.14	Paint - intermediate and top coat	LF	70,000	0.22	15,400.00	The Home Depot
1.6.15	Exterior sealant	LF	70,000	0.35	24,500.00	Lowes Home Improvement
1.6.16	Fasteners	EA	30	67.17	2,015.10	Blanton Building Supplies
	Section Subtotal				694,579.75	
1.7	Inadequate Installation of Through-Wall Flashing at Base of Brick Veneer.					
	Labor					
1.7.1	Remove existing brick veneer along base of walls - (Included)	1.9.1	0		Included	Included in line item 1.9.1
1.7.2	Provide through wall flashing (Included)	1.9.3	0		Included	Included in line item 1.9.3
1.7.3	Properly integrate through wall flashing with WRB	LF	3,800	1.15	4,370.00	MJK Construction
1.7.4	Remove and replace damaged wood sheathing - Allowance (10% or 1,600 sq/ft)	SHT	50	82.80	4,140.00	MJK Construction
1.7.5	Remove and replace damaged wood framing - Allowance (10% or 2,280 board feet)	EA	285	12.08	3,442.80	MJK Construction
1.7.6	Remove and replace damaged insulation - Allowance (10% or 1,600 sq/ft)	SF	1,600	1.15	1,840.00	MJK Construction
1.7.7	Install brick veneer with weep holes directly above through wall flashing following industry standards - (Inc.)	1.9	0		Included	Included in line item 1.9
1.7.8	Note: Coordinate with 1.9 Repair Scopes				Note	
1.7.9	Note: Reference Photos 1.7.A through H				Note	
	Material					
1.7.10	Through wall flashing -	LF	3,800	0.87	3,306.00	Guaranteed Supply
1.7.11	WRB flashing tape (12" x 75')	LF	3,800	2.05	7,790.00	Blanton Building Supplies
1.7.12	Wood sheathing - (4' x 8' x 7/16" - OSB)	SHT	50	10.80	540.00	Blanton Building Supplies
1.7.13	Wood studs - 2" x 4" x 10'	EA	285	6.90	1,966.50	Blanton Building Supplies
1.7.14	Insulation - (R-13 Batts - one package equals 106.56 sq/ft)	SF	1,600	0.69	1,104.00	The Home Depot
1.7.15	Fasteners for sheathing	EA	5,000	0.02	100.00	Menards.com
1.7.16	Fasteners for studs	EA	2,850	0.03	85.50	The Home Depot
	Section Subtotal				28,684.80	

Wedgewood Condominiums
Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
1.8	Inadequate Support of Lintels Along Triple-Ganged Window Heads.					
	Labor					
1.8.1	Remove existing brick veneer above triple-ganged windows - (Included)	1.9.1	0		Included	Included in line item 1.9.1
1.8.2	Remove existing lintels and provide new cont. lintels with arch shape along length of window head (25 loc.)	EA	25	46.00	1,150.00	MJK Construction
1.8.3	Note: Coordinate with 1.9, 2.1, and 2.3 Repair Scopes				Note	
1.8.4	Note: Reference Photos 1.8.A through G				Note	
	Material					
1.8.5	New steel lintels with arch shape	EA	25	196.56	4,914.00	SC Metal Fabrication
1.8.6	Fasteners for steel lintels	EA	150	2.53	379.50	Lowes Home Improvement
	Section Subtotal				6,443.50	
1.9	Improper Installation of Metal Ties at Brick Veneer.					
	Labor					
1.9.1	Remove existing brick veneer, corrugated wall ties, and WRB	SF	38,000	3.00	114,000.00	Cicco Construction
1.9.2	Install new WRB properly integrated with adjacent WRB and flashings	SF	38,000	1.15	43,700.00	MJK Construction
1.9.3	Install new brick veneer and wall ties in accordance w/ building code req. and industry standards	SF	38,000	10.00	380,000.00	Cicco Construction
1.9.4	Note: Reuse all existing steel lintels with the exception of the steel lintels over the triple-ganged windows				Note	
1.9.5	Note: Coordinate with 1.1, 1.7, and 1.8 Repair Scopes				Note	
1.9.6	Note: Reference Photos 1.9.A through G				Note	
	Material					
1.9.7	New bricks, mortar, sand, seismic ties, plastic weep screens & mortar net (Included)	1.9.3	0		Included	Included in line item 1.9.3
1.9.8	Tyvek building wrap (9' x 150' = 1,350 sq/ft)	SF	38,000	0.19	7,220.00	Blanton Building Supplies
1.9.9	Tyvek house wrap tape (2" x 165')	EA	56	18.31	1,025.36	Blanton Building Supplies
1.9.10	Wrap caps staple pac (1,000 EA) (Note - one box covers approximately 25 squares)	EA	16	61.68	986.88	Blanton Building Supplies
	Section Subtotal				546,932.24	
1.10	Installation of Vapor Barrier on Interior Side of Exterior Walls.					
	Labor					
1.10.1	Cut out vapor barrier from within wall cavity during other repair scopes when removal of materials (cladding, WRB, and sheathing) provides access to wall cavity - Allowance	SF	32,640	0.58	18,931.20	MJK Construction
1.10.2	Note: Reference Photos 1.10.A through D				Note	
	Section Subtotal				18,931.20	

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
2.0	Windows					
2.1	Inadequate Installation of Rough Opening Flashing.					
	Labor					
	Reference attached window and door schedule					
2.1.1	Not used				-	
2.1.2	Remove and reinstall the following windows:				-	
2.1.2.a	• Single Double-hung 40" x 40"	EA	75	575.00	43,125.00	MJK Construction
2.1.2.b	• Single Double-hung 40" x 66"	EA	111	575.00	63,825.00	MJK Construction
2.1.2.c	• Single Double-hung with Arch Window 40" x 60"	EA	36	575.00	20,700.00	MJK Construction
2.1.2.d	• Single Double-hung with Arch Window 40" x 85"	EA	6	575.00	3,450.00	MJK Construction
2.1.2.e	• Half Circle Windows 48" x 24"	EA	32	575.00	18,400.00	MJK Construction
2.1.3	Wrap window rough openings prior to re-setting the existing windows (Included)	2.2.2	0		Included	Included in line item 2.2.2
2.1.4	Install SAF sill pan flashing per industry standards and mfg. installation instructions - (All Window Sills)	LF	2,557	2.88	7,364.16	MJK Construction
2.1.5	Use self adhered flashings at window nailing flange - (All Windows)	LF	8,613	2.30	19,809.90	MJK Construction
2.1.6	Remove and replace damaged wood sheathing - (All Window locations or 838 sheets)	SHT	838	82.80	69,386.40	MJK Construction
2.1.7	Remove and replace damaged wood framing - (All Window locations or 25,140 board feet)	EA	2,514	12.08	30,369.12	MJK Construction
2.1.8	Remove and replace damaged insulation - (All Window locations or 26,816 sq/ft)	SF	26,816	1.15	30,838.40	MJK Construction
2.1.9	Note: Properly integrate window flashings with WRB on field of wall					Note
2.1.10	Note: Coordinate with 2.3, 2.4, 2.5 and 2.7 Repair Scopes					Note
2.1.11	Note Allow 64 sq ft. Below each window (There are 419 R/O x 64 sq ft = 26,816 sq ft or 838 sheets)					Note
2.1.12	Note: Reference Photos 2.1.A through S					Note
	Material					
2.1.13	SAF - rough opening sill flashing - (Tyvek Flex Wrap Tape - 9" x 75')	LF	2,557	3.23	8,259.11	Blanton Building Supplies
2.1.14	Sealant	LF	8,613	0.35	3,014.55	Lowes Home Improvement
2.1.15	SAF - window nailing flange - (Tyvek Flex Wrap Tape - 9" x 75')	LF	8,613	3.23	27,819.99	Blanton Building Supplies
2.1.16	Wood sheathing - (4' x 8' x 7/16" - OSB)	SHT	838	10.80	9,050.40	Blanton Building Supplies
2.1.17	Wood studs - 2" x 4" x 10'	EA	2,514	6.90	17,346.60	Blanton Building Supplies
2.1.18	Insulation - (R-13 Batts - one package equals 106.56 sq/ft)	SF	26,816	0.69	18,503.04	The Home Depot
2.1.19	Window fasteners	EA	25,839	0.01	258.39	The Home Depot
2.1.20	Fasteners for sheathing	EA	83,800	0.02	1,676.00	Menards.com
2.1.21	Fasteners for studs	EA	25,140	0.03	754.20	The Home Depot
	Section Subtotal				393,950.26	
2.2	Failed Self-Adhered Flashing at Windows.					
	Labor					
2.2.1	Remove existing self adhered flashings at windows as part of 2.1 Repair Scope	LF	8,613	1.15	9,904.95	MJK Construction
2.2.2	Replace self adhered flashing at window rough openings	LF	8,613	2.30	19,809.90	MJK Construction
2.2.3	Note: Properly integrate window flashings with WRB on field of wall					Note
2.2.4	Note: Reference Photos 2.2.A, B and C					Note
	Material					
2.2.5	SAF - window rough opening - (Tyvek Flex Wrap Tape - 9" x 75')	LF	8,613	3.23	27,819.99	Blanton Building Supplies
	Section Subtotal				57,534.84	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
2.3	Absence of Through-Wall Flashing and Weep Holes and Incomplete SAF at Brick Veneer Above Window Heads.					
	Labor					
2.3.1	Remove existing brick veneer above windows - (Included)	1.9.1	0		Included	Included in line item 1.9.1
2.3.2	Provide new through wall flashing with end dams along lintels	LF	768	2.88	2,211.84	MJK Construction
2.3.3	Install brick veneer with weep holes directly above lintel in accordance with BC and Ind. Standards (Included)	1.9.3			Included	Included in line item 1.9.3
2.3.4	Remove and replace damaged wood sheathing - Allowance (25% or 768 sq/ft)	SHT	24	82.80	1,987.20	MJK Construction
2.3.5	Remove and replace damaged wood framing - Allowance (25% or 1,440 board feet)	EA	144	12.08	1,739.52	MJK Construction
2.3.6	Remove and replace damaged insulation - Allowance (25% or 768 sq/ft)	SF	768	1.15	883.20	MJK Construction
2.3.7	Note: Properly integrate new flashing with WRB				Note	
2.3.8	Note: Coordinate with 1.8, 1.9 and 2.1 Repair Scopes				Note	
2.3.9	Note: Reference Photos 2.3.A through O				Note	
	Material					
2.3.10	Through wall flashing	LF	768	1.10	844.80	Blanton Building Supplies
2.3.11	Wood sheathing - (4' x 8' x 7/16" - OSB)	SHT	24	12.59	302.16	Blanton Building Supplies
2.3.12	Wood studs - (2" x 4" x 10')	EA	144	5.39	776.16	Blanton Building Supplies
2.3.13	Insulation - (R-13 Batts - one package equals 106.56 sq/ft)	SF	768	0.69	529.92	The Home Depot
2.3.14	Fasteners for sheathing	EA	1,200	0.02	24.00	Menards.com
2.3.15	Fasteners for studs	EA	1,440	0.03	43.20	The Home Depot
	Section Subtotal				9,342.00	
2.4	Inadequate Head Flashing Above Windows in Fiber-Cement Siding.					
	Labor					
2.4.1	Remove existing cladding above windows to access metal flashing - (Included)	1.5.1	0		Included	Included in line item 1.5.1
2.4.2	Install new aluminum drip cap over windows	LF	1,594	2.30	3,666.20	MJK Construction
2.4.3	Properly lap WRB over vertical leg of flashing	LF	1,594	1.15	1,833.10	MJK Construction
2.4.4	Install new cladding above windows - (Included)	1.5.3	0		Included	Included in line item 1.5.3
2.4.5	Note: Coordinate with 1.1, 1.5 and 2.1 Repair Scopes				Note	
2.4.6	Note: Reference Photos 2.4.A through K				Note	
	Material					
2.4.7	New aluminum drip cap	LF	1,594	1.68	2,677.92	Trim Bender
2.4.8	WRB flashing tape (12" x 75')	LF	1,594	2.05	3,267.70	Blanton Building Supplies
	Section Subtotal				11,444.92	

Wedgewood Condominiums
Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
2.5						
	Labor					
2.5.1						
2.5.2						
2.5.3						
2.5.4						
2.5.5						
2.5.6						
2.5.7						
	Material					
2.5.8						
2.5.9						
2.5.10						
2.5.11						
2.5.12						
2.5.13						
	Section Subtotal				-	
2.6						
	Labor					
2.6.1						
2.6.2						
2.6.3						
2.6.4						
2.6.5						
2.6.6						
2.6.7						
2.6.8						
2.6.9						
	Material					
2.6.10						
2.6.11						
2.6.12						
2.6.13						
2.6.14						
2.6.15						
2.6.16						
2.6.17						
2.6.18						
	Section Subtotal				-	

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
2.7	Labor					
2.7.1						
2.7.2						
2.7.3						
2.7.4						
2.7.5						
2.7.6						
	Material					
2.7.7						
2.7.8						
2.7.9						
	Section Subtotal				\$ -	
3.0	Roofs					
3.1	Roof Deck Not Adequately Covered With Underlayment along Eaves, Underlayment Improperly Integrated With Drip Edge.					
	Applies to Buildings 6 and 7 only					
	Labor					
3.1.1	Remove existing asphalt shingles along roof eaves as required to install underlayment at deck edges	EA	2	6,226.00	12,452.00	Cicco Construction
3.1.2	Install underlayment at deck edges - (Included)	3.1.1	0		Included	Included in line item 3.1.1
3.1.3	Install new shingles to match existing where required (match as close as practical) - (Included)	3.1.1	0		Included	Included in line item 3.1.1
3.1.4	Note: Applies to buildings 6 and 7 only					Note
3.1.5	Note: Reference Photos 3.1.A through D					Note
	Material					
3.1.6	GAF Tiger Paw roof underlayment - (Included)	3.1.1	0		Included	Included in line item 3.1.1
3.1.7	GAF Timberline roof shingles - (Included)	3.1.1	0		Included	Included in line item 3.1.1
3.1.8	Roofing cement - (Included)	3.1.1	0		Included	Included in line item 3.1.1
3.1.9	Roofing nails - (Included)	3.1.1	0		Included	Included in line item 3.1.1
	Section Subtotal				12,452.00	

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
3.2	Improper Attachment of Shingles.					
	Applies to Buildings 1 through 5, 8, and 9 only					
	Labor					
3.2.1	Remove existing asphalt shingle roof system - (Included)	3.2.2			Included	Included in line item 3.2.2
3.2.2	Install new asphalt shingle system in accordance w/ mfg. instructions & building code requirements:					
3.2.3	• Building #1	EA	1	19,617.00	19,617.00	Cicco Construction
3.2.4	• Building #3	EA	1	27,194.00	27,194.00	Cicco Construction
3.2.5	• Buildings #2,4,5,8, and 9	EA	5	21,927.00	109,635.00	Cicco Construction
3.2.6	Note: Applies to Buildings 1, 2, 3, 4, 5, 8, and 9 only				Note	
3.2.7	Note: Reference Photos 3.2.A through H				Note	
	Material					
3.2.8	GAF Tiger Paw roof underlayment - (Included)	3.2.2	0		Included	Included in line item 3.2.2
3.2.9	GAF Timberline roof shingles - (Included)	3.2.2	0		Included	Included in line item 3.2.2
3.2.10	White aluminum drip edge - (Included)	3.2.2	0		Included	Included in line item 3.2.2
3.2.11	White aluminum step flashing - (Included)	3.2.2	0		Included	Included in line item 3.2.2
3.2.12	Pipe boots for pipe penetrations - (Included)	3.2.2	0		Included	Included in line item 3.2.2
3.2.13	Ridge vents - (Included)	3.2.2	0		Included	Included in line item 3.2.2
3.2.14	Ridge caps - (Included)	3.2.2	0		Included	Included in line item 3.2.2
3.2.15	WR Grace Ice & Water Shield - (Included)	3.2.2	0		Included	Included in line item 3.2.2
3.2.16	Roofing cement - (Included)	3.2.2	0		Included	Included in line item 3.2.2
3.2.17	Roofing nails - (included)	3.2.2	0		Included	Included in line item 3.2.2
	Section Subtotal				156,446.00	
3.3	Improper Starter Strip Installation.					
	(Applies to buildings 6 and 7 only)					
	Labor					
3.3.1	Add six (6) dabs of roofing cement per shingle along roof eaves - (Included)	3.1.1	0		Included	Included in line item 3.1.1
3.3.2	Note: Required for adequate adhesion of roof shingles to starter strip				Note	
3.3.3	Note: Applies to buildings 6 and 7 only				Note	
3.3.4	Note: Reference Photos 3.3.A through D				Note	
	Material					
3.3.5	Roofing cement - (Included)	3.1.1	0		Included	Included in line item 3.1.1
	Section Subtotal				-	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
3.4	Improper Installation and Attachment of Sheet Metal Fascia.					
	Labor					
3.4.1	Remove and Install new metal fascia attaching with fasteners required to meet code prescribed wind loads					
3.4.2	• Building #1	EA	1	4,540.00	4,540.00	Cicco Construction
3.4.3	• Building #3	EA	1	5,300.00	5,300.00	Cicco Construction
3.4.4	• Buildings # 2, 4, 5, 6, 7, 8, and 9	EA	7	4,190.00	29,330.00	Cicco Construction
3.4.5	Note: Assume 12 inch fastener spacing required					Note
3.4.6	Note: Match existing color, profile and thickness of material					Note
3.4.7	Note: Reference Photos 3.4.A through F					Note
	Material					
3.4.8	Metal fascia - (Included)	3.4.1	0		Included	Included in line item 3.4.1
3.4.9	Fasteners - (Included)	3.4.1	0		Included	Included in line item 3.4.1
	Section Subtotal				39,170.00	
4.0	Walkways					
4.1	Missing Gypsum Sheathing, Joints Not Sealed in Gypsum Sheathing, and Gypsum Sheathing Deteriorated for Fire Resistance of Structural Members Along Floor Lines.					
	Labor					
4.1.1	Remove cladding along walkway floor lines - James Hardie Panel	SF	4,840	2.59	12,535.60	MJK Construction
4.1.2	Remove deteriorated gypsum sheathing along walkway floor lines (Allow 50% or 2,420 sq/ft - One layer)	SF	2,420	1.15	2,783.00	MJK Construction
4.1.3	Remove cladding along balcony floor lines - James Hardie Lap Siding - (Included)	1.5	0		Included	Included in section 1.5
4.1.4	Remove deteriorated gypsum sheathing along balcony floor lines- (Allow 100% or 1,250 sq/ft)	SF	1,250	1.15	1,437.50	MJK Construction
4.1.5	Replace deteriorated or missing gypsum sheathing at walkway & balcony floor lines (Allow 3,670 sq/ft - 1 layer)	SF	3,670	1.73	6,349.10	MJK Construction
4.1.6	Replace cladding along walkway floor lines - James Hardie Panel	SQ	49	402.50	19,722.50	MJK Construction
4.1.7	Replace cladding along balcony floor lines - James Hardie Lap Siding - (Included)	1.5	0		Included	Included in section 1.5
4.1.8	Prepare, prime, paint and seal new Hardie Panel	SF	4,840	2.30	11,132.00	MJK Construction
4.1.9	Apply sealants	LF	3,670	1.44	5,284.80	MJK Construction
4.1.10	Note: Tape and mud joints in accordance with manufactures recommendations for fire rating					Note
4.1.11	Note: Assembly must provide fire rating for structural members as required by building code					Note
4.1.12	Note: Reference Photos 4.1.A through G					Note
	Material					
4.1.13	Gypsum sheathing - (4' x 12' x 5/8")	EA	115	20.48	2,355.20	Lowes Home Improvement
4.1.14	Gypsum tape - (1.875" x 500')	EA	3	11.86	35.58	Lowes Home Improvement
4.1.15	Gypsum drywall joint compound	EA	8	16.18	129.44	Lowes Home Improvement
4.1.16	Gypsum fasteners	EA	4,588	0.01	45.88	Lowes Home Improvement
4.1.17	James Hardie panel - (4' x 8')	SHT	152	53.95	8,200.40	Blanton Building Supplies
4.1.18	Fasteners	EA	1	67.17	67.17	Blanton Building Supplies
4.1.19	Paint - intermediate and top coats	SF	4,840	0.22	1,064.80	The Home Depot
4.1.20	Sealant	LF	3,670	0.35	1,284.50	Lowes Home Improvement
	Section Subtotal				72,427.47	

Wedgewood Condominiums
Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
4.2	Improper and Incomplete Installation of Liquid-Applied Waterproofing Membrane.					
	(Allow for replacement of 25-percent at walkways).					
	Labor					
4.2.1	Remove existing carpet from 2nd and 3rd level walkways (22,000 sq/ft) - (Included)	4.2.14	0		Included	Included in line item 4.2.14
4.2.2						
4.2.3	Remove existing carpet glue and waterproofing	SF	22,000	5.50	121,000.00	MJK Construction
4.2.4	Remove existing cladding along base of walls - (Included)	1.5.1	0		Included	Included in line items 1.5.1 & 1.6.1
4.2.5	Remove existing cladding along base of guardrails and columns - James Hardie Panel	SF	4,000	2.59	10,360.00	MJK Construction
4.2.6	Remove, replace damage sheathing (allow for 25 percent at walkways or 5,500 sq/ft or 172 sheets)	SHT	172	82.80	14,241.60	MJK Construction
4.2.7	Install new Bituthene waterproofing properly integrated with adjacent construction - (Two layers)	SF	44,000	3.50	154,000.00	MJK Construction
4.2.8	Install new stainless steel deck-to-wall flashing	LF	5,438	2.50	13,595.00	MJK Construction
4.2.9	Install new WRB over flashing leg at deck to wall	LF	5,438	2.00	10,876.00	MJK Construction
4.2.10	Install new cladding along base of walls - (Included)	1.5.1	0		Included	Included in line items 1.5.1 & 1.6.1
4.2.11	Install new cladding along base of guardrails and columns - James Hardie panel	SQ	40	402.50	16,100.00	MJK Construction
4.2.12	Prepare, prime, paint and seal new James Hardie panel	SF	4,000	2.30	9,200.00	MJK Construction
4.2.13	Apply sealants	LF	1,750	1.44	2,520.00	MJK Construction
4.2.14	Remove existing and Install new outdoor carpet over Bituthene waterproofing with compatible adhesive	YDS	2,445	21.60	52,812.00	Williams Flooring
4.2.15	Note: Follow manufacturers recommendations for Bituthene applications				Note	
4.2.16	Note: Reference Photos 4.2.A through Z				Note	
	Material					
4.2.17	Walkway sheathing (4' x 8')	SHT	172	32.16	5,531.52	The Home Depot
4.2.18	Fasteners	EA	17,200	0.02	344.00	The Home Depot
4.2.19	Bituthene system primer	SF	22,000	0.13	2,860.00	Guaranteed supply company
4.2.20	Bituthene system liquid membrane - (two applications required)	SF	44,000	0.24	10,560.00	Guaranteed supply company
4.2.21	Bituthene system membrane roll	SF	22,000	0.56	12,320.00	Guaranteed supply company
4.2.22	Bituthene system mastic	LF	5,438	0.73	3,969.74	Guaranteed supply company
4.2.23	Stainless steel flashing	LF	3,800	2.38	9,044.00	Guaranteed supply company
4.2.24	Fasteners	EA	7,200	0.11	792.00	The Home Depot
4.2.25	WRB flashing tape (12" x 75')	LF	7,500	2.05	15,375.00	Blanton Building Supplies
4.2.26	James Hardie panel (4' x 8')	SHT	219	53.95	11,815.05	Blanton Building Supplies
4.2.27	Fasteners	EA	1	67.17	67.17	Blanton Building Supplies
4.2.28	Paint - intermediate and top coats	SF	4,000	0.22	880.00	The Home Depot
4.2.29	Sealants	LF	1,750	0.35	612.50	Lowe's Home Improvement
4.2.30	New carpet and adhesive - (Included)	4.2.14	0		Included	Included in line item 4.2.14
	Section Subtotal				478,875.58	

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
4.3	Improper Drip Edge Flashing at Columns.					
	Labor					
4.3.1	Provide new drip edge flashing with vertical leg at columns during 4.2 Repair Scope	LF	3,670	2.88	10,569.60	MJK Construction
4.3.2	Lap Bituthene waterproofing with drip edge in water shedding manner	LF	3,670	2.02	7,413.40	MJK Construction
4.3.3	R&R damaged gypsum sheathing at columns prior to the installation of waterproofing - (Allow 25% or 918 s/f)	SF	918	1.73	1,588.14	MJK Construction
4.3.4	R&R damaged metal strapping at columns prior to the installation of waterproofing - (Allow 10% or 72)	EA	72	17.25	1,242.00	MJK Construction
4.3.5	Labor to break new drip edge flashing	LF	3,670	1.73	6,349.10	MJK Construction
4.3.6	Note: Reference Photos 4.3.A through G				Note	
	Material					
4.3.7	Aluminum drip edge flashing	LF	3,670	1.61	5,908.70	Best distributing
4.3.8	Bituthene waterproofing system - (Included)	4.2	0		Included	Included in section 4.2
4.3.9	Gypsum sheathing - (4' x 12' x 5/8")	EA	30	20.48	614.40	Lowes Home Improvement
4.3.10	Gypsum tape - (1.875" x 500')	EA	2	11.86	23.72	Lowes Home Improvement
4.3.11	Gypsum drywall joint compound	EA	2	16.18	32.36	Lowes Home Improvement
4.3.12	Gypsum fasteners	EA	1,450	0.01	14.50	Lowes Home Improvement
4.3.13	Metal strapping	EA	72	1.89	136.08	Blanton building supplies
4.3.14	Fasteners for strapping	EA	720	0.02	14.40	Menards.com
4.3.15	Fasteners for aluminum	EA	7,340	0.01	73.40	Lowes Home Improvement
	Section Subtotal				33,979.80	
4.4	Inadequate Waterproofing at Post Fastener Penetrations and Missing Blocking.					
	Labor					
4.4.1	Remove guardrails along walkways and balconies	LF	3,670	5.75	21,102.50	MJK Construction
4.4.2	Remove guardrail posts and concrete fill inside of sleeve during 4.2 Repair Scope	EA	362	28.75	10,407.50	MJK Construction
4.4.3	Remove and replace damaged sheathing - (Allow 25% or 2,944 sq/ft)	SHT	92	82.80	7,617.60	MJK Construction
4.4.4	Add blocking at the underside of posts and provide blocking where missing - (Allow 25% or 92 locations)	LOC	92	57.50	5,290.00	MJK Construction
4.4.5	Apply sealant at fastener penetrations through waterproofing	LOC	368	1.44	529.92	MJK Construction
4.4.6	Reinstall guardrail posts and guardrails	LF	3,670	11.50	42,205.00	MJK Construction
4.4.7	Note: Reference Photos 4.4.A, B, and C				Note	
	Material					
4.4.8	Wood sheathing - (4' x 8')	SHT	92	32.16	2,958.72	The Home Depot
4.4.9	Wood studs treated - (2" x 8" x 12')	EA	92	14.87	1,368.04	The Home Depot
4.4.10	CertainTeed post support mount & sleeve for guardrail post	EA	362	84.14	30,458.68	ABC Supply
4.4.11	Sealant	LOC	92	0.35	32.20	Lowes Home Improvement
4.4.12	Fasteners for sheathing	EA	9,200	0.02	184.00	Menards.com
4.4.13	Fasteners for rails	EA	9,216	0.13	1,198.08	Lowes Home Improvement
	Section Subtotal				123,352.24	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
4.5	Improper Construction of Stairways.					
	Labor					
4.5.1	Remove existing handrails	LF	1,440	5.75	8,280.00	MJK Construction
4.5.2	Remove existing grab-rails	LF	1,728	2.88	4,976.64	MJK Construction
4.5.3	Remove existing wood stringers, treads and risers	EA	72	172.50	12,420.00	MJK Construction
4.5.4	Construct and install new wood stairways which meet building code requirements	EA	18	2,770.81	49,874.58	Southern Staircase
4.5.5	Reinstall handrails and grab-rails	EA	144	14.38	2,070.72	MJK Construction
4.5.6	Remove wall projections adjacent to handrails to provide min. 1 1/2 inch clear space - (Allowance)	EA			Included	MJK Construction
4.5.7	Note: Reference Photos 4.5.A through F				Note	
	Material					
4.5.8	Wood step stringers 2" x 12" x 110" each (8 per building x 9 buildings = 72) - (Included)	4.5.4	0		Included	Included in line item 4.5.4
4.5.9	Wood steps 2" x 12" x 42" each (64 per building x 9 buildings = 576) - (Included)	4.5.4	0		Included	Included in line item 4.5.4
4.5.10	Wood risers 2" x 8" x 42" each (72 per building x 9 buildings = 648) - (Included)	4.5.4	0		Included	Included in line item 4.5.4
4.5.11	Fasteners for wood - (Included)	4.5.4	0		Included	Included in line item 4.5.4
4.5.12	Fasteners for railings and grab-rails	EA	1,728	0.13	224.64	Lowes Home Improvement
	Section Subtotal				77,846.58	
5.0	Attics					
5.1	Missing MTS16 Hurricane Anchors and Lack of 2x Blocking at Trusses Along Rear Exterior Wall Framing and					
	Reference Fuller RFI response 9/26/18. Reference details 1-S8 and 8-S8					
	Labor					
5.1.1	Where missing; install MTS -16 hurricane anchors at all truss locations for eight (8) buildings - (Allowance)	LOC	1,600	17.25	27,600.00	MJK Construction
5.1.2	Where missing; install 2 x blocking at all truss locations for nine (9) buildings - (Allowance)	LOC	1,800	9.20	16,560.00	MJK Construction
5.1.3	Note: Installation must follow mfg instructions and building code requirements per structural drawings				Note	
5.1.4	Note: Assume MTS - 16 repairs at eight (8) buildings & wood blocking at nine (9) buildings				Note	
5.1.5	Note: Reference Photos 5.1.A through G				Note	
5.1.6	*Alternate: Install supplemental clip at missing anchor locations to provide adequate hold down cap				Alternate	
5.1.7	*Alternate: Review truss design drawings to determine loads at trusses				Alternate	
	Material					
5.1.8	MTS - 16 Hurricane Anchors	EA	1,600	1.89	3,024.00	Blanton Building Supplies
5.1.9	Wood Blocking - (2" x 6" x 10')	EA	360	9.34	3,362.40	Blanton Building Supplies
5.1.10	Fasteners	EA	14,400	0.30	4,320.00	Fasteners Plus.com
	Section Subtotal				54,866.40	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
5.2	Missing H2.5 Hurricane Ties at Trusses along Exterior Walls of Walkways					
	Reference Fuller RFI response 9/26/18. Reference details 8-S8					
	Labor					
5.2.1	At walkway walls add two (2) Simpson H2.5 HT staggered at each truss loc. four (4) buildings - (Allowance)	LOC	304	17.25	5,244.00	MJK Construction
5.2.2	At walkway walls add one (1) Simpson H2.5 HT at each truss location for one (1) building - (Allowance)	LOC	38	17.25	655.50	MJK Construction
5.2.3	At balcony ext. walls add two (2) Simpson H2.5 HT staggered at each truss for five (5) buildings - (Allow)	LOC	380	17.25	6,555.00	MJK Construction
5.2.4	At balcony ext. walls add one (1) Simpson H2.5 HT at each truss location for three (3) buildings - (Allow)	LOC	114	17.25	1,966.50	MJK Construction
5.2.5	Note: Installation must follow mfg instructions and building code requirements per structural drawings					Note
5.2.6	Note: Reference Photos 5.2.A through D					Note
5.2.7	*Alternate: Install supplemental clip at missing hurricane tie locations to provide adequate HDC					Alternate
5.2.8	*Alternate: Review truss design drawings to determine loads at trusses					Alternate
	Material					
5.2.9	H2.5 Hurricane Ties	EA	836	0.63	526.68	Blanton Building Supplies
5.2.10	Fasteners	EA	5,016	0.30	1,504.80	Fasteners Plus.com
	Section Subtotal				16,452.48	
5.3	Inadequate Anchorage of Truss Girders.					
	Reference Fuller RFI response 9/26/18. Reference details S5					
	Labor					
5.3.1	Install eight (8) tension ties where missing or damaged at seven (7) buildings	LOC	56	17.25	966.00	MJK Construction
5.3.2	Note: Installation shall be in accordance with mfg. instructions, building code requirements & SD					Note
5.3.3	Note: Assume repairs at 7 buildings					Note
5.3.4	Note: Reference Photos 5.3.A through D					Note
5.3.5	*Alternate: install supplemental clip at missing tension tie locations to provide adequate HDC					Alternate
5.3.6	*Alternate: Review truss design drawings to determine loads at trusses					Alternate
	Material					
5.3.7	Tension ties - Simpson MTS12 - 12"	EA	56	0.94	52.64	Fasteners Plus.com
5.3.8	Fasteners	EA	1,232	0.30	369.60	Fasteners Plus.com
	Section Subtotal				1,388.24	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
5.4	Inadequate Support of Truss Framing.					
	Reference Fuller RFI response 9/26/18. Reference detail S5					
	Building 9					
	Building 5					
	Building 2 and 5					
	Labor					
5.4.1	Repair or replace ALL jack trusses to extend to girder truss and ridge line per SD (Building 9) - (Allowance)	LOC	32	17.25	552.00	MJK Construction
5.4.2	Repair or replace valley trusses to extend to girder truss and ridge line per SD (Building 9) - (Allowance)	LOC	4	17.25	69.00	MJK Construction
5.4.3	Repair or replace jack trusses to provide adequate bearing along balcony exterior walls (Building 5) (Allow)	LOC	9	28.75	258.75	MJK Construction
5.4.4	Provide support along bottom chords of valley trusses (Building 2 and 5) - (Allowance)	LOC	8	28.75	230.00	MJK Construction
5.4.5	Note: Perform repairs in accordance with truss manufacture					Note
5.4.6	Note: Reference Photos 5.4 A through H					Note
	Material					
5.4.7	Wood Framing - (2" x 6" x 10')	EA	67	9.34	625.78	Blanton Building Supplies
5.4.8	Fasteners	EA	536	0.03	16.08	The Home Depot
	Section Subtotal				1,751.61	
5.5	Inadequate Lateral and Diagonal Truss Bracing.					
	Reference Fuller RFI response 9/26/18					
	Labor					
5.5.1	Provide supplemental framing for proper overlap of permanent lateral bracing, min. 2 -foot overlap (Allowance)	LOC	222	31.05	6,893.10	MJK Construction
5.5.2	Fasten unattached diagonal bracing members to truss members - (Allowance)	LOC	222	11.50	2,553.00	MJK Construction
5.5.3	Note: Assume six (6) locations per attic of each unit in all buildings					Note
5.5.4	Note: Reference Photos 5.5.A through C					Note
	Material					
5.5.5	Wood Framing (2" x 6" x 10')	EA	222	9.34	2,073.48	Blanton Building Supplies
5.5.6	Fasteners	EA	2,220	0.03	66.60	The Home Depot
	Section Subtotal				11,586.18	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
5.6	Improper and Damaged Truss Members.					
	Assume repairs to 2 truss members within each attic of each unit.					
	Labor					
5.6.1	Repair broken and improper truss members in accord. with truss mfg. recommendations - (Allow 74 Loc.)	LOC	74	31.63	2,340.62	MJK Construction
5.6.2	Note Assume repairs to 2 truss members within each attic of each unit					Note
5.6.3	Note: Review truss design drawings to determine grade of lumber specified in truss design					Note
5.6.4	Note: Repair or replace trusses not in conformance with structural design					Note
5.6.5	Note: Reference Photos 5.6.A through F					Note
	Material					
5.6.6	Wood framing 2" x 8" x 12'	EA	74	12.73	942.02	Blanton Building Supplies
5.6.7	Fasteners	EA	1,776	0.03	53.28	The Home Depot
	Section Subtotal				3,335.92	
5.7	Inadequate Framing Around Gable Windows					
	Reference Fuller RFI response 9/26/18					
	Labor					
5.7.1	Repair or replace modified truss in accordance with truss manufacturer recommendations (Allowance)	LOC	28	31.63	885.64	MJK Construction
5.7.2	Provide framing around window opening	LOC	28	57.50	1,610.00	MJK Construction
5.7.3	Note: Assume repairs at gable walls of all buildings except building #9					Note
5.7.4	Note: Reference Photos 5.7.A and B					Note
	Material					
5.7.5	Wood framing (2" x 6" x 10')	EA	28	9.34	261.52	Blanton Building Supplies
5.7.6	Wood framing (2" x 4" x 10')	EA	168	6.90	1,159.20	Blanton Building Supplies
5.7.7	Fasteners	EA	1,568	0.03	47.04	The Home Depot
	Section Subtotal				3,963.40	
5.8	Inadequate Taping of Fastener Heads and Gypsum Joints in Draft stopping in Attic Spaces.					
	All Attics					
	Building 4					
	Labor					
5.8.1	Install mud over exposed fastener heads at draft stopping in all attics	LOC	74	40.25	2,978.50	MJK Construction
5.8.2	Install tape and mud at all gypsum sheathing joints where failed at Building 4	LOC	8	86.25	690.00	MJK Construction
5.8.3	Note: Reference Photos 5.8.A and B					Note
	Material					
5.8.4	Drywall mud	EA	15	16.18	242.70	Lowes Home Improvement
5.8.5	Drywall tape	EA	2	11.86	23.72	Lowes Home Improvement
	Section Subtotal				3,934.92	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
6.0	Shear Walls					
6.1	Improper Attachment of First Floor Interior Shear Wall.					
	Reference Fuller RFI response 9/26/18. Reference details S2 & 7 S6					
	Labor					
6.1.1	Protect interior finishes inside all first floor units	UNIT	37	172.50	6,382.50	MJK Construction
6.1.2	Remove base board then Install new baseboard	LF	1,296	1.15	1,490.40	MJK Construction
6.1.3	Remove interior drywall attached to shear wall locations	SF	5,200	1.15	5,980.00	MJK Construction
6.1.4	Remove OSB sheathing attached to shear wall locations	SF	5,200	1.29	6,708.00	MJK Construction
6.1.5	Install 3/4" anchor bolts along base of shear wall at foundation at 32" o/c - (Allowance)	EA	486	40.25	19,561.50	MJK Construction
6.1.6	Install H2.5 hurricane ties along base of shear wall at foundation at 48" o/c- (Allowance)	EA	432	18.40	7,948.80	MJK Construction
6.1.7	Install new 7/16" OSB sheathing - 163 sheets	SF	5,200	1.30	6,760.00	MJK Construction
6.1.8	Install new drywall, tape, mud and finish - 163 sheets	SF	5,200	1.47	7,644.00	MJK Construction
6.1.9	Prepare, caulk and paint interior drywall from inside corner to inside corner of shear wall locations	SF	20,000	1.38	27,600.00	MJK Construction
6.1.10	Fine clean units & remove interior finish protection	UNT	37	373.75	13,828.75	MJK Construction
6.1.11	Note: Work is to be performed in accordance with mfg. instructions as required by Structural Drawings					Note
6.1.12	Note: Reference Photos 6.1.A through D					Note
	Material					
6.1.13	Anchor Bolts - 3/4" x 7" HDG	EA	486	5.77	2,804.22	Concrete Anchors.com
6.1.14	3/4" SDS Drill Bits	EA	48	37.20	1,785.60	Concrete Anchors.com
6.1.15	Hurricane ties - H2.5	EA	432	0.63	272.16	Blanton Building Supplies
6.1.16	OSB sheathing - 4' x 8' x 7/16"	EA	163	10.80	1,760.40	Blanton Building Supplies
6.1.17	Fasteners for OSB sheathing	EA	9,750	0.02	195.00	Menards.com
6.1.18	Drywall panel 5/8" x 4' x 12'	EA	109	20.48	2,232.32	Lowe's Home Improvement
6.1.19	Fasteners for drywall	EA	6,540	0.01	65.40	Lowe's Home Improvement
6.1.20	Drywall corner bead	EA	110	13.35	1,468.50	Lowe's Home Improvement
6.1.21	Drywall joint tape	EA	4	11.86	47.44	Lowe's Home Improvement
6.1.22	Drywall joint compound	EA	11	16.18	177.98	Lowe's Home Improvement
6.1.23	Interior baseboard moulding	LF	1,296	1.92	2,488.32	Lowe's Home Improvement
6.1.24	Paint - two (2) coats	SF	5,200	0.22	1,144.00	Lowe's Home Improvement
6.1.25	Interior sealant	LF	3,600	0.13	468.00	Lowe's Home Improvement
6.1.26	Cleaning supplies - (Allowance)	UNIT	37	20.00	740.00	Lowe's Home Improvement
6.1.27	Poly for covering and protecting interior finishes	UNIT	37	47.50	1,757.50	Lowe's Home Improvement
	Section Subtotal				121,310.79	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
6.2	Inadequate Fastener Spacing for Attachment of Interior Shear Wall Sheathing.					
	Reference Fuller RFI response 9/26/18					
	Labor					
6.2.1	Protect interior finishes inside all 2nd and 3rd floor units	UNIT	74	172.50	12,765.00	MLK Construction
6.2.2	Remove base board / Install new baseboard	LF	2,592	1.15	2,980.80	MJK Construction
6.2.3	Remove all drywall over shear walls to access OSB sheathing (less quantity listed in 6.1) - (Allowance)	SF	29,800	1.15	34,270.00	MJK Construction
6.2.4	Remove OSB sheathing where blocking is missing - (Allowance of 25%)	SF	8,750	1.29	11,287.50	MJK Construction
6.2.5	Install horizontal blocking between wall studs along sheathing edges - (Allowance of 25%)	LF	4,110	3.04	12,494.40	MJK Construction
6.2.6	Install new OSB sheathing where removed for missing blocking.	SF	8,750	1.44	12,600.00	MJK Construction
6.2.7	Install adequate fasteners at sheathing perimeter and each wall stud - (Allowance)	EA	55,875		Included	MJK Construction
6.2.8	Install new drywall, tape mud and finish - 932 sheets	SF	29,800	1.47	43,806.00	MJK Construction
6.2.9	Prepare, caulk and paint interior drywall from inside corner to inside corner of shear wall locations	SF	40,000	1.38	55,200.00	MJK Construction
6.2.10	Fine clean units & remove interior finish protection	UNIT	74	373.75	27,657.50	MJK Construction
6.2.11	Note: Work to be performed in accordance with mfg. instructions as required by Structural Drawings				Note	
6.2.12	Note: Reference Photos 6.2.A				Note	
	Material					
6.2.13	Wood blocking 2" x 4" x 8'	EA	514	3.63	1,865.82	Blanton Building Supplies
6.2.14	Fasteners for framing	EA	2,056	0.03	61.68	The Home Depot
6.2.15	OSB sheathing	EA	274	10.80	2,959.20	Blanton Building Supplies
6.2.16	Fasteners for sheathing	EA	55,875	0.02	1,117.50	Menards.com
6.2.17	Drywall panel 5/8" x 4' x 12'	EA	621	20.48	12,718.08	Lowe's Home Improvement
6.2.18	Drywall screws	EA	37,250	0.01	372.50	Lowe's Home Improvement
6.2.19	Drywall corner bead	EA	220	13.35	2,937.00	Lowe's Home Improvement
6.2.20	Drywall joint tape	EA	23	11.86	272.78	Lowe's Home Improvement
6.2.21	Drywall joint compound	EA	60	16.18	970.80	Lowe's Home Improvement
6.2.22	Interior baseboard moulding	LF	2,592	1.92	4,976.64	Lowe's Home Improvement
6.2.23	Paint - two (2) coats	SF	29,800	0.22	6,556.00	Lowe's Home Improvement
6.2.24	Interior sealant	LF	7,200	0.13	936.00	Lowe's Home Improvement
6.2.25	Cleaning supplies - (Allowance)	UNIT	74	20.00	1,480.00	Lowe's Home Improvement
6.2.26	Poly for covering and protecting interior finishes	UNIT	74	47.50	3,515.00	Lowe's Home Improvement
	Section Subtotal				238,054.40	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
6.3	Missing Sheathing at First Floor Interior Shear Wall.					
	Labor					
6.3.1	Repair sheathing and attach in accordance with Structural Drawings - (Included)	6.1	0		Included	Included in section 6.1
6.3.2	Note: Reference Photos 6.3.A				Note	
	Material					
6.3.3	OSB sheathing - 7/16" - (Included)	6.1	0		Included	Included in section 6.1
6.3.4	Fasteners - (Included)	6.1	0		Included	Included in section 6.1
	Section Subtotal				-	
7.0	Accessibility					
7.1	Improper Location of Built-Up Curb Ramps in Parking Space Access Aisles.					
	Labor					
7.1.1	Remove built-up curb ramps located in access aisles	LOC	10		-	Sea Coast Concrete
7.1.2	Provide accessible route at each accessible parking space by forming and pouring new curb ramps	LOC	10		-	Sea Coast Concrete
7.1.3	Repair asphalt paving and restripe accessible parking areas	LS	1		-	Sea Coast Concrete
7.1.4	Note: New accessible features shall be in accordance with current building code and accessibility requirements.				Note	
7.1.5	Note: Reference Photos 7.1.A through D				Note	
	Material					
7.1.6	All materials - (Included)	7.1			Included	Included in Section 7.1
	Section Subtotal				-	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
8.0	Floor and Ceiling Assemblies					
8.1	Missing Blocking Between Floor Trusses, Lack of Continuous and Missing Interior Gypsum Sheathing Within Party Wall Air Space.					
	Reference Fuller RFI response 9/26/18					
	Labor					
8.1.1	Remove interior drywall at ceilings along unit separation party walls - 1st and 2nd floors only	SF	21,344	1.84	39,272.96	MJK Construction
8.1.2	Install continuous blocking between floor trusses as outlined in Structural Drawings - Allowance	LOC	2,664	6.08	16,197.12	MJK Construction
8.1.3	Repair/install gypsum sheathing to comply with Structural Drawings - Allowance	LOC	2,664	7.92	21,098.88	MJK Construction
8.1.4	Install new interior drywall at ceilings along unit separation party walls - 1st and 2nd floors only	SF	21,344	1.93	41,193.92	MJK Construction
8.1.5	Apply ceiling texture to new drywall	SF	21,344	0.87	18,569.28	MJK Construction
8.1.6	Prepare, caulk, prime new drywall and paint entire ceilings in each effected room	SF	64,032	1.15	73,636.80	MJK Construction
8.1.7	Note: Review architectural drawings related to fire design of Party Walls and Floors					Note
8.1.8	Note: Reference Photos 8.1.A through F					Note
	Material					
8.1.9	Wood blocking - 2" x 6" x 10'	EA	533	9.34	4,978.22	Blanton Building Supplies
8.1.10	Fasteners for framing	EA	15,984	0.03	479.52	The Home Depot
8.1.11	Drywall panel 4' x 8' (Blocking areas = 84 sheets and ceilings areas = 667 sheets)	EA	751	14.02	10,529.02	Lowes Home Improvement
8.1.12	Drywall screws	EA	30,000	0.01	300.00	Lowes Home Improvement
8.1.13	Drywall joint tape	EA	16	11.86	189.76	Lowes Home Improvement
8.1.14	Drywall joint compound	EA	43	16.18	695.74	Lowes Home Improvement
8.1.15	Ceiling texture	SF	21,344	0.07	1,494.08	Lowes Home Improvement
8.1.16	Paint - two (2) coats	SF	21,344	0.16	3,415.04	Lowes Home Improvement
8.1.17	Interior sealant	LF	3,700	0.13	481.00	Lowes Home Improvement
	Section Subtotal				232,531.34	
9.0	Additional Work Scope Components Needed In Order to Implement Required Repairs.					
9.0.2	Remove and reinstall HVAC disconnect boxes attached to exterior walls	EA	111	150.00	16,650.00	BNB Electric
9.0.3	Remove and reinstall each units electrical panel box attached to exterior walls	EA	18	3,000.00	54,000.00	BNB Electric
9.0.4	Remove and reinstall utility boxes and equipment attached to exterior walls			-	-	Utility provider
9.0.5	Remove and reinstall exterior light fixtures & receptacle's attached to exterior walls	EA	111	40.00	4,440.00	BNB Electric
9.0.6	Remove and reinstall gutters and down spouts	EA	9	1,150.00	10,350.00	MJK Construction
9.0.7	Remove and reinstall building signage and unit numbers attached to exterior walls	EA	9	100.00	900.00	PROCON
9.0.8	Trim back landscaping for access to exterior walls / landscaping repair / sod replacement - (Allowance)	EA	9	7,500.00	67,500.00	Owners' landscape contractor/vendor
	Section Subtotal				232,408.00	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
GC	Project Related General Conditions					
GC.1	Scaffolding monthly rental	MTH	10	18,868.00	188,680.00	Southeast Access
GC.2	Dumpster - dump fee per ton - (Allow 10.21 per dump x 3 dumps per building x nine buildings)	EA	18	382.37	6,882.66	Kidd Construction
GC.3	Dumpster - dump fee charged by vendor (Allow a total of 27 pulls	EA	18	200.00	3,600.00	Kidd Construction
GC.4	Lull - fork lift for debris and material handling	MTH	10	2,061.29	20,612.90	United Rentals
GC.5	Fuel & insurance for rental equipment	MTH	10	450.00	4,500.00	PROCON
GC.6	Company owned trucks and fuel	MTH	10	1,500.00	15,000.00	PROCON
GC.7	Site safety plan for public protection and the maintaining of such in construction work zones	LOC	9	500.00	4,500.00	PROCON
GC.8	Portable toilet's for workers - three each at \$61.68 per month	MTH	10	185.04	1,850.40	Elvis Service Co.
GC.9	20 foot site office / storage container monthly rental	MTH	10	243.00	2,430.00	Elvis Service Co.
GC.10	Storage containers monthly rental - based on three containers at \$108.00 each per month	MTH	10	324.00	3,240.00	Elvis Service Co.
GC.11	Project manager	MTH	5	9,743.59	48,717.95	PROCON
GC.12	Project supervisor	MTH	10	8,831.42	88,314.20	PROCON
GC.13	Project assistant supervisor	MTH	10	6,550.00	65,500.00	PROCON
GC.14	Project labors (2)	MTH	10	8,529.74	85,297.40	PROCON
	Section Subtotal				539,125.51	
	Project Subtotals					
M	Mobilization				533,537.30	
1.0	Exterior Walls					
1.1	Incomplete Coverage of Weather-Resistive Barrier				76,027.89	
1.2	Improper Termination and lapping of Weather Resistive Barrier at Waterproofing.				27,846.66	
1.3	Improper Installation of Z-Flashing at Band Board.				42,545.92	
1.4	Inadequate Protection of Non-Preservative Treated Wood Furring.				21,492.00	
1.5	Inadequate Attachment and Installation of Fiber-Cement Siding.				964,438.88	
1.6	Inadequate Attachment of Fiber-Cement Trim and Unprimed Edges of Engineered Trim.				694,579.75	
1.7	Inadequate Installation of Through-Wall Flashing at Base of Brick Veneer.				28,684.80	
1.8	Inadequate Support of Lintels Along Triple-Ganged Window Heads.				6,443.50	
1.9	Improper Installation of Metal Ties at Brick Veneer.				546,932.24	
1.10	Installation of Vapor Barrier on Interior Side of Exterior Walls.				18,931.20	
2.0	Windows					
2.1	Inadequate Installation of Rough Opening Flashing.				393,950.26	
2.2	Failed Self-Adhered Flashing at Windows.				57,534.84	
2.3	Absence of Through-Wall Flashing and Weep Holes and Incomplete SAF at Brick Veneer Above Window Heads.				9,342.00	
2.4	Inadequate Head Flashing Above Windows in Fiber-Cement Siding.				11,444.92	
2.5	0				-	
2.6	0				-	
2.7	0				-	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
3.0	Roofs					
3.1	Roof Deck Not Adequately Covered With Underlayment along Eaves, Underlayment Improperly Integrated With Drip Edge.				12,452.00	
3.2	Improper Attachment of Shingles.				156,446.00	
3.3	Improper Starter Strip Installation.				-	
3.4	Improper Installation and Attachment of Sheet Metal Fascia.				39,170.00	
4.0	Walkways and Balconies					
4.1	Missing Gypsum Sheathing, Joints Not Sealed in Gypsum Sheathing, and Gypsum Sheathing Deteriorated for Fire Resistance of Structural Members Along Floor Lines.				72,427.47	
4.2	Improper Starter Strip Installation.				478,875.58	
4.3	Improper Drip Edge Flashing at Columns.				33,979.80	
4.4	Inadequate Waterproofing at Post Fastener Penetrations and Missing Blocking.				123,352.24	
4.5	Improper Construction of Stairways.				77,846.58	
5.0	Attics					
5.1	Missing MTS16 Hurricane Anchors and Lack of 2x Blocking at Trusses Along Rear Exterior Wall Framing and Walkway/Balcony Beams.				54,866.40	
5.2	Missing H2.5 Hurricane Ties at Trusses along Exterior Walls of Walkways and Balconies.				16,452.48	
5.3	Inadequate Anchorage of Truss Girders.				1,388.24	
5.4	Inadequate Support of Truss Framing.				1,751.61	
5.5	Inadequate Lateral and Diagonal Truss Bracing.				11,586.18	
5.6	Improper and Damaged Truss Members.				3,335.92	
5.7	Inadequate Framing Around Gable Windows				3,963.40	
5.8	Inadequate Taping of Fastener Heads and Gypsum Joints in Draft stopping in Attic Spaces.				3,934.92	
6.0	Shear Walls					
6.1	Improper Attachment of First Floor Interior Shear Wall.				121,310.79	
6.2	Inadequate Fastener Spacing for Attachment of Interior Shear Wall Sheathing.				238,054.40	
6.3	Missing Sheathing at First Floor Interior Shear Wall.				-	
7.0	Accessibility					
7.1	Improper Location of Built-Up Curb Ramps in Parking Space Access Aisles.				-	
8.0	Floor and Ceiling Assemblies					
8.1	Missing Blocking Between Floor Trusses, Lack of Continuous and Missing Interior Gypsum Sheathing Within Party Wall Air Space				232,531.34	
9.0	Additional Work Scope Components Needed In Order to Implement Required Repairs.				232,408.00	
GC	Project Related General Conditions				539,125.51	

Repair Estimate for Nine (9) Buildings - Numbered 1 through 9

Item	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
Project Subtotal					[REDACTED]	5,810,423.02
	Permits and Licenses	Pct.	1.25%		[REDACTED]	
	Owners' Contingency	Pct.	10%		[REDACTED]	72,630.29
	Contractor Overhead and Operation Expenses	Pct.	10%		[REDACTED]	
	Contractor Fee	Pct.	10%		[REDACTED]	581,042.31
	Architectural & Engineering/Contract Administration Fee's (Per Fuller Group)	Pct.	10.0%		[REDACTED]	581,042.31
Estimated Total for All Buildings					[REDACTED]	

581,042.31
 581,042.31
581,042.31
 8,207,222.52

Wedgewood Repair Estimate

Buildings 1 - 9

Addendum 1

Updated 04-04-2022

	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
Exterior Walls						
Labor						
	(REVISED) Remove existing vapor barrier and insulation from within wall cavity at all areas of exterior walls. Contractor shall determine whether access to exterior wall cavity for removal of existing vapor barrier and insulation is provided through removal of drywall on the interior of units or from removal and replacement of WRB and sheathing on exterior of buildings. Any damaged framing shall be removed and replace in-kind Any affected interior finishes and drywall shall be replaced, taped/mudded/sanded, and painted corner to corner to match existing.					
1	Remove and replace remaining weather-resistive barrier	SF	42,053	1.73	72,751.69	MJK
2	Remove and replace remaining exterior wall sheathing	Sht	2,730	82.80	226,044.00	MJK
3	Cut and remove remaining vapor barrier from within the wall cavity	SF	87,360	0.58	50,668.80	MJK
4	Remove and replace remaining wall cavity insulation	SF	87,360	1.15	100,464.00	MJK
5	Replacement of damaged framing	Inc			Included in	
	Allowances for replacing damaged framing were included in Line Items: 1.2.2, 1.7.5, 2.1.7, and 2.3.5 of the original repair estimate.					
	1.2.2, 1.7.5, 2.1.7, and 2.3.5 of the original repair estimate.					
6	Additional Interior Repair Allowance					
3a	NOTE: End Units (End walls, front and rear walls) Units 54					Note Only
3b	NOTE: Inboard Units (Front and rear walls only) Units 57					Note Only
3c	NOTE: A typical end unit has approximately 728 SF of interior drywall at exterior walls.					Note Only
3d	NOTE: A typical inboard unit has 440 SF of interior drywall at exterior walls.					Note Only
3e	Any affected interior finishes and drywall shall be taped/mudded/sanded (Allowance 20% of 64,392 SF)					
6.f	Prepare and paint interior drywall corner to corner	SF	12,880	0.75	9,660.00	MJK
		SF	64,392	1.38	88,860.96	MJK
Material						
7	Tyvek building Wrap	SF	42,053	0.19	7,990.07	Blanton
8	Tyvek house wrap tape	EA	64	18.31	1,171.84	Blanton
9	Wrap cap staple pac	EA	17	61.68	1,048.56	Blanton
10	Wood sheathing	Sht	2,730	10.80	29,484.00	Blanton
11	Fasteners for sheathing	EA	137,000	0.02	2,740.00	Menards.com
12	Insulation	SF	87,360	0.69	60,278.40	The Home Depot
13	Gypsum tape	EA	10	11.86	118.60	Lowes
14	Gypsum drywall joint compound	EA	30	16.18	485.40	Lowes
15	Paint - Interior	Gal	276	41.57	11,473.32	Sherwin Williams
16	Sealant	EA	222	2.89	641.58	Lowes
Section Subtotal					\$ 663,881.22	



Wedgewood Repair Estimate

Buildings 1 - 9

Addendum 1

Updated 04-04-2022

Work Scope Description		Unit Type	Quantity	Unit Price	Unit Total	NOTES
Material						
Section Subtotal						
Ramp Accessibility - Buildings 3, 4, and 6						
	Remove existing ramps (Building 3,6)	Ea	2	\$ 1,150.00	\$ 2,300.00	Dan-Kel
	Remove existing ramps (Building 4)	SF	475	6.00	2,850.00	Dan-Kel
	Install new code complaint ramp and steps	ls	1	8,650.00	8,650.00	Dan-Kel
Section Subtotal					\$ 13,800.00	
Stair Accessibility - Building 5 and 9						
	Remove existing non-compliant concrete steps (Buildings 5 & 9)	Ea	2	\$ 600.00	\$ 1,200.00	Dan-Kel
	Install new code compliant concrete steps (includes ramps and steps)	Inc			Included in line 7.2.2	Dan-Kel
Section Subtotal					\$ 1,200.00	
Handrails Accessibility						
	Material and installation of a 42" vinyl rail and grab rail - Buildings 5, 8, and 9	LS	1	\$ 11,268.00	\$ 11,268.00	Gator-Strong LLC
	Handrails accessibility - Remaining Buildings	Ea	6	\$ 3,000.00	\$ 18,000.00	Carefree Exterior
Section Subtotal					\$ 29,268.00	

Wedgewood Repair Estimate

Buildings 1 - 9

Addendum 1

Updated 04-04-2022

	Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
Project Related General Conditions						
1	Scaffolding monthly rental - Add two additional months to schedule	MTH	2	\$ 18,868.00	\$ 37,736.00	Southeast Access
2	Dumpster - dump fee per ton - (Allow 10.21 per dump x 15 additional dumps)	EA	9	382.37	3,441.33	Kidd Construction
3	Dumpster - dump fee charged by vendor (Allow 15 additional pulls)	EA	9	200.00	1,800.00	Kidd Construction
4	Lull - fork lift for debris and material handling	MTH	2	2,061.29	4,122.58	United Rentals
5	Fuel and insurance for rental equipment	MTH	2	450.00	900.00	PROCON
6	Company owned trucks and fuel	MTH	2	1,500.00	3,000.00	PROCON
7	Site safety plan for public protection and the maintaining of such in construction work zones	LOC	0	500.00	-	PROCON
8	Portable toilet's for workers - three each at \$61.68 per month	MTH	2	185.04	370.08	Elvis Service Co.
9	20 foot site office / storage container monthly rental	MTH	2	243.00	486.00	Elvis Service Co.
0	Storage containers monthly rental - based on three containers at \$108.00 each per month	MTH	2	324.00	648.00	Elvis Service Co.
1	Project manager	MTH	2	9,743.59	19,487.18	PROCON
2	Project supervisor	MTH	2	8,831.42	17,662.84	PROCON
3	Project assistant supervisor	MTH	2	6,550.00	13,100.00	PROCON
4	Project labors (2)	MTH	2	8,529.74	17,059.48	PROCON
Section Subtotal					\$ 119,813.49	

Wedgewood Repair Estimate

Buildings 1 - 9

Addendum 1

Updated 04-04-2022

Work Scope Description	Unit Type	Quantity	Unit Price	Unit Total	NOTES
Project Summary					
Exterior Walls				\$ 663,881.22	
		0.0		-	
Ramp Accessibility - Buildings 3, 4, and 6				13,800.00	
Stair Accessibility - Building 5 and 9				1,200.00	
Handrails Accessibility				29,268.00	
		0		-	
Project Related General Conditions				119,813.49	
Project Subtotal				\$ 827,962.71	
Permits and Licenses	Pct.	1.25%		10,349.53	
Owners' Contingency	Pct.	10%		82,796.27	
Contractor Overhead and Operation Expenses	Pct.	10%		82,796.27	
Contractor Fee	Pct.	10%		82,796.27	
Architectural & Engineering/Contract Administration Fee's (Per Fuller Group)	Pct.	10.0%		82,796.27	
Estimated Total for All Buildings				\$ 1,169,497.33	

TOTAL'S
 REVISED ESTIMATE 8,207,222.52
 Addendum #1
 1,169,497.33

 9,376,719.85

6

ORDINANCE

AN ORDINANCE OF THE CITY OF NORTH MYRTLE BEACH,
PROVIDING THAT THE CODE OF ORDINANCES, CITY OF NORTH
MYRTLE BEACH, SOUTH CAROLINA, BE AMENDED BY REVISING
SECTIONS 6-4, 6-5, 6-37, AND 11-1 OF SAID CODE.

BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE CITY OF
NORTH MYRTLE BEACH, SOUTH CAROLINA, IN COUNCIL DULY
ASSEMBLED, THAT:

Section 1: That Section 6-4(a)(2)(3)(4)(5)(6) and (7) of the Code of Ordinances of the City of North Myrtle Beach be amended to read as follows:

- (2) Standard Building Code, 1997 Edition together with Appendices D and H published by The Southern Building Code Congress International, Inc.
- (3) Standard Gas Code, 1997 Edition, published by The Southern Building Code Congress International, Inc.
- (4) Standard Mechanical Code, 1997 Edition, published by The Southern Building Code Congress International, Inc.
- (5) Standard Plumbing Code, 1997 Edition, published by The Southern Building Code Congress International, Inc.
- (6) Standard Swimming Pool Code, 1997 Edition, published by the Southern Building Code Congress International, Inc.
- (7) Standard Housing Code, 1997 Edition, published by the Southern Building Code Congress International, Inc.

Section 2: That Section 6-5(b) of the Code of Ordinances of the City of North Myrtle Beach be amended to read as follows:

Section 6-5. Standard Building Code amendments.

(b) That Section 412.1.1 be amended to read as follows:

412.1.1 These requirements shall apply to all Group B and Group R buildings having floor surfaces used for human occupancy located more than 50 feet above the lowest level of fire department vehicle access. Such buildings shall be provided with an approved automatic sprinkler system in accordance with section 412.10.

Section 3: That the first paragraph of Section 6-37(1)(a) be amended to change the reference to the Standard Building Code, 1994 Edition to the Standard Building, Code 1997 Edition.

*This is a true
and accurate copy of this
Ordinance from the City Clerk's Office
Allison H. Galbreath
City Clerk
5.23.2023 98-14*

Section 4: That Section 6-37(5)(d) be amended to change the reference to the Standard Building Code, 1994 Edition to the Standard Building Code, 1997 Edition.

Section 5: That Section 11-1 be amended to read as follows:

Sec.11-1. Fire prevention code adopted.

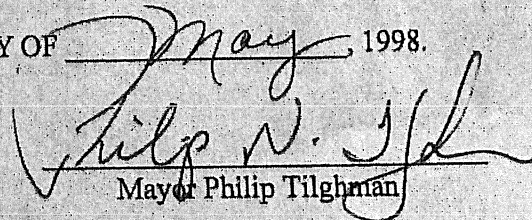
Pursuant to Title 6, Chapter 9 of the 1976 South Carolina Code of Laws, there is hereby adopted by reference, for the purpose of establishing rules and regulations for fire prevention and maintenance of buildings, structures and premises, the following code, of which three (3) copies are on file in the office of the city clerk, and the same is hereby adopted and incorporated as fully as if set out at length herein:

Standard Fire Prevention Code, 1997 Edition, published by The Southern Building Code Congress International, Inc.

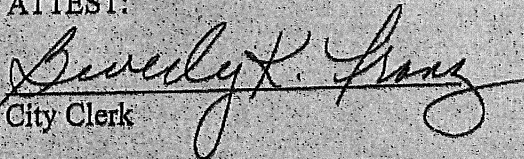
The Standard Fire Prevention code shall control within the city; however, that in the event any conflict may arise between the provisions of the fire prevention code and this Code of Ordinances or state law, the provisions of state law or this Code of Ordinances shall prevail and be controlling as provided in section 1-6.

Section 6: That the City Council of the City of North Myrtle Beach held a public hearing on these amendments prior to adoption of this ordinance.

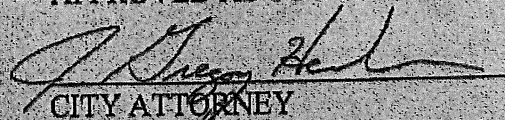
DONE, RATIFIED AND PASSED, THIS 4th DAY OF May, 1998.


Mayor Philip Tilghman

ATTEST:


City Clerk

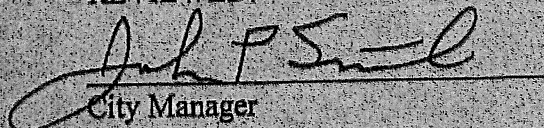
APPROVED AS TO FORM:

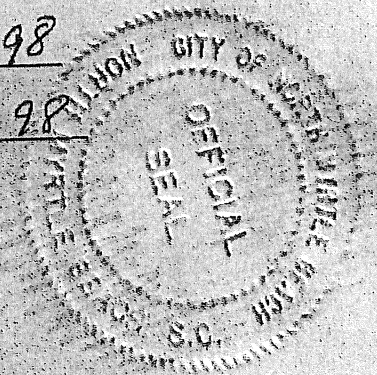

CITY ATTORNEY

FIRST READING: 4-20-98

SECOND READING: 5-4-98

REVIEWED:


City Manager



STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
COUNTY OF HORRY)	FIFTEENTH JUDICIAL CIRCUIT
)	
Wedgewood Condominium Association,)	CASE NO: 2018-CP-26-00307
)	
Plaintiffs,)	
)	
vs.)	
)	
Centex Homes, a Nevada General)	STIPULATION OF EVIDENCE
Partnership; Balfour Beatty Construction,)	
LLC as successor by merger to Centex)	
Construction Company, Inc., and Centex)	
Construction, LLC,)	
)	
)	
Defendants.)	

The parties, through their undersigned counsel, for the sake of judicial economy and efficiency, have agreed and hereby stipulate to the dates the Certificates of Occupancy were issued for each building at the Wedgewood project, as referenced in Exhibit A attached. The parties further stipulate to the authenticity of the Certificates of Occupancy included in Exhibit A and agree that this evidence shall be entered into the record at trial without objection and without the need to call the records custodian to testify.

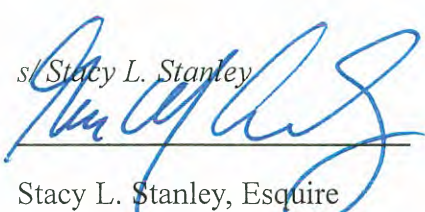
- Building 2- Certificate of Occupancy issued on February 1, 2001
- Building 3 – Certificate of Occupancy issued on January 18, 2001
- Building 4 – Certificate of Occupancy issued on February 1, 2001
- Building 5 – Certificate of Occupancy issued on February 7, 2001
- Building 6 – Certificate of Occupancy issued on January 25, 2001
- Building 7 – Certificate of Occupancy issued on February 13, 2001
- Building 8 – Certificate of Occupancy issued on February 12, 2001



The parties further stipulate that the Certificate of Occupancy for Building 1 was issued on January 19, 2001, and the Certificate of Occupancy for Building 9 was issued on January 30, 2001. The original Certificates of Occupancy were unable to be located for these two buildings. However, per the deposition testimony of Sandra Weddington with the City of North Myrtle Planning and Development Department, the computer records maintained by the City of North Myrtle Beach confirm said dates for Buildings 1 and 9, as also verified in the Certificate of Authenticity included in Exhibit A.

WE SO STIPULATE:

s/ Stacy L. Stanley


Stacy L. Stanley, Esquire
Stanley Law Firm
3303 Highway 9 East
Little River, SC 29566-7825

-and-

Gene McCain Connell, Jr., Esquire
Lawrence Sidney Connor, IV, Esquire
Kelaher Connell & Connor, P.C.
1500 U.S. Highway 17 North, Suite 209
Surfside Beach, SC 29575

Counsel for Plaintiff

s/ William G. DesChamps, IV


Thomas C. Hildebrand, Jr., Esquire
Robert C. Byrd, Esquire
William G. DesChamps, IV, Esquire
Parker Poe Adams & Bernstein, LLP
850 Morrison Drive, Suite 400
Charleston, SC 29403

Counsel for Centex Homes, a Nevada General Partnership; Balfour Beatty Construction, LLC as successor by merger to Centex Construction Company, Inc., and Centex Construction, LLC

STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
COUNTY OF HORRY)	FIFTEENTH JUDICIAL CIRCUIT
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LLC as successor by merger to Centex)	
Construction Company, Inc., and Centex)	
Construction, LLC,)	
)	
)	
Defendants.)	

The parties, through their undersigned counsel, for the sake of judicial economy and efficiency, have agreed and hereby stipulate to the dates the Certificates of Occupancy were issued for each building at the Wedgewood project, as referenced in Exhibit A *attached*. The parties further stipulate to the authenticity of the Certificates of Occupancy included in Exhibit A and agree that this evidence shall be entered into the record at trial without objection and without the need to call the records custodian to testify.

- Building 2- Certificate of Occupancy issued on February 1, 2001
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-and-

Gene McCain Connell, Jr., Esquire
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1500 U.S. Highway 17 North, Suite 209
Surfside Beach, SC 29575

Counsel for Plaintiff

s/ William G. DesChamps, IV

Thomas C. Hildebrand, Jr., Esquire
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Parker Poe Adams & Bernstein, LLP
850 Morrison Drive, Suite 400
Charleston, SC 29403

**Counsel for Centex Homes, a Nevada General Partnership; Balfour Beatty Construction, LLC
as successor by merger to Centex Construction Company, Inc., and Centex Construction, LLC**

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Partnership; Balfour Beatty Construction,)	
LLC as successor by merger to Centex)	
Construction Company, Inc., and Centex)	
Construction, LLC,)	
)	
)	
Defendants.)	

The parties, through their undersigned counsel, for the sake of judicial economy and efficiency, have agreed and hereby stipulate to the dates the Certificates of Occupancy were issued for each building at the Wedgewood project, as referenced in Exhibit A *attached*. The parties further stipulate to the authenticity of the Certificates of Occupancy included in Exhibit A and agree that this evidence shall be entered into the record at trial without objection and without the need to call the records custodian to testify.

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-and-

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1500 U.S. Highway 17 North, Suite 209
Surfside Beach, SC 29575
Counsel for Plaintiff

s/ William G. DesChamps, IV

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Parker Poe Adams & Bernstein, LLP
850 Morrison Drive, Suite 400
Charleston, SC 29403

Counsel for Centex Homes, a Nevada General Partnership; Balfour Beatty Construction, LLC as successor by merger to Centex Construction Company, Inc., and Centex Construction, LLC



South Carolina
Department of Labor, Licensing and Regulation



Contractor's Licensing Board

110 Centerview Drive;
Post Office Box 11329
Columbia, SC 29211-1329
Office Phone: (803) 896-4686
FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

April 19, 2021

GENERAL CONTRACTOR'S LICENSE VERIFICATION

LICENSEE NAME: RIGHT WAY CONSTRUCTION INC
889 GATOR LANE
MURRELLS INLET SC 29576
License Number: CLG.103290
Owner/President:
Initial License Date: 03/27/2000
Expiration Date: 10/31/2003
Qualifying Party Name(s):
License Classification(s): BUILDING

LICENSED BY:

- Technical Exam: Date(s) - _____
(a Passing Score of 70% or better was achieved)
- Reciprocity/Waiver Agreement from the State of _____.
- S.C. Grandfather provision; no technical exam taken.
- Work experience; a technical exam not required for _____ classification(s).

OTHER EXAMS:

- Passed SC Business Management and Law exam: Date - _____
- Passed SC Code of Laws Take Home exam: Date - _____

LICENSEE STATUS:

- The current status of the license is: **LAPSED**.
- The licensee and qualifying party(s) are in **good standing** with the board.
- The qualifying party(s) was associated with this license from _____ to _____.

DISCIPLINARY ACTION:

- No Yes - Explanation: _____

OTHER:

If I can be of further assistance, please contact me at Kristina.Corson@llr.sc.gov or (803) 896-4686.

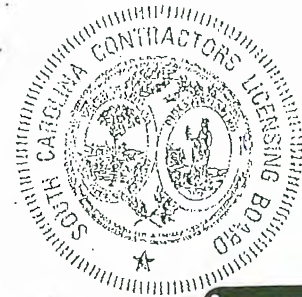
Sincerely,

Kristina M. Corson

Kristina Corson
Administrative Assistant

CERTIFIED TRUE COPY

BY: Kathy Burgess 4/21/21
TITLE: FOIA Coordinator



Contractors can perform commercial, residential and industrial related work. Additionally, there is no statutory requirement for commercial contractors to be licensed and bonded; therefore, that is solely at the discretion of the contractor.





South Carolina
Department of Labor, Licensing and Regulation



Contractor's Licensing Board

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Henry D. McMaster
Governor

Emily H. Farr
Director

April 19, 2021

GENERAL CONTRACTOR'S LICENSE VERIFICATION

LICENSEE NAME: RWG INC
889 GATOR LANE
MURRELLS INLET SC 29576
License Number: CLG.109556
Owner/President:
Initial License Date: 02/04/2004
Expiration Date: 10/31/2008
Qualifying Party Name(s): LESTER SITZLER JR
License Classification(s): BUILDING

LICENSED BY:

- Technical Exam; Date(s) - 9/25/1999
(a Passing Score of 70% or better was achieved)
- Reciprocity/Waiver Agreement from the State of _____.
- S.C. Grandfather provision; no technical exam taken.
- Work experience; a technical exam not required for _____ classification(s).

OTHER EXAMS:

- Passed SC Business Management and Law exam; Date - _____
- Passed SC Code of Laws Take Home exam; Date - _____

LICENSEE STATUS:

- The current status of the license is: **LAPSED**.
- The licensee and qualifying party(s) are in good standing with the board.
- The qualifying party(s) was associated with this license from _____ to _____.

DISCIPLINARY ACTION:

- No Yes - Explanation: _____

OTHER:

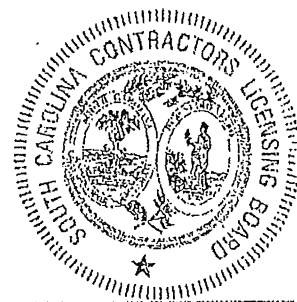
If I can be of further assistance, please contact me at Kristina.Corson@llr.sc.gov or (803) 896-4686.

Sincerely,

Kristina M. Corson

Kristina Corson
Administrative Assistant

CERTIFIED TRUE COPY
BY: Kathy Burgess 4/21/21
TITLE: FOTA Coordinator



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South Carolina
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Residential Builders Commission

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Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

April 20, 2021

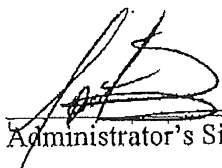
The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Lester Sitzler Jr d/b/a RWG Inc is currently licensed/registered by the Residential Builders Commission as a licensee/registrant, his registration was issued 07/01/1999 and expired on 06/30/2008.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Lester Sitzler Jr d/b/a RWG Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator


Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.


NOTARY SIGNATURE

AW Baker
NOTARY PRINTED NAME

My Commission Expires: November 8, 2026

CERTIFIED TRUE COPY
BY: Kathy Burgess 4/21/21
TITLE: FOIA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Henry D. McMaster
Governor

Emily H. Farr
Director

FRANK HARRIS
6512 HIGHWAY 544
MYRTLE BEACH SC 29588-9288

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: FRANK HARRIS
Company name F. HARRIS CONSTRUCTION
License/Registration Type: Specialty
License/Registration Number: 31280
Date Issued: 07/01/1999
License/Registration Status: LAPSED
Expiration Date: 06/30/2001
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger

Title Administrator

Date April 26, 2023

Please be aware license status can change at any time, please go to <https://verify.llronline.com/LicLookup/Resbu/Resbu.aspx?div=46> for current license status.

Unresolved disciplinary actions currently pending before the boards will not be included in the information presented. Reported discipline of licensees indicates the final disposition of contested cases, but may not reflect the current status of a license. Licensees are fully authorized to practice their professions unless their licenses have been restricted, suspended, revoked, deactivated or voluntarily surrendered. Licensees on probation may have been placed under certain professional restrictions which may limit the scope of their practice. Also, board actions reported here may not reflect any subsequent judicial actions to stay or modify the board's decision.



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Columbia, SC 29211-1329
Phone: (803) 896-4696
FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

KENNETH MOORE
1821 MARTIN CIRCLE
MYRTLE BEACH SC 29588-0032

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: KENNETH MOORE
Company name BUILDERS FIRST SOURCE
License/Registration Type: Specialty
License/Registration Number: 34883
Date Issued: 10/27/2000
License/Registration Status: LAPSED
Expiration Date: 06/30/2003
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

RUSSEL LITTLE
PO BOX 328
BLUFFTON SC 29910

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: RUSSEL LITTLE
Company name BUILDERS FIRST SOURCE
License/Registration Type: Specialty
License/Registration Number: 32290
Date Issued: 11/12/1999
License/Registration Status: LAPSED
Expiration Date: 06/30/2009
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

MICHAEL GILBERT
919 SOUTH EDISTO AVENUE
COLUMBIA SC 29205-4320

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: MICHAEL GILBERT
Company name BUILDERS FIRST SOURCE
License/Registration Type: Specialty
License/Registration Number: 33775
Date Issued: 07/03/2000
License/Registration Status: LAPSED
Expiration Date: 06/30/2003
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

ERIC S SAMS
245 FORRESTER DR
GREENVILLE SC 29607

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: ERIC S SAMS
Company name STOCK BUILDING SUPPLY
License/Registration Type: Specialty
License/Registration Number: 50521
Date Issued: 04/10/2008
License/Registration Status: LAPSED
Expiration Date: 06/30/2013
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

WILLIAM E. RIDINGS
1716 HUSTED RD
CONWAY SC 29526-8286

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: WILLIAM E. RIDINGS
Company name STOCK BUILDING SUPPLY
License/Registration Type: Specialty
License/Registration Number: 49759
Date Issued: 09/06/2007
License/Registration Status: LAPSED
Expiration Date: 06/30/2009
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

110 Centerview Drive
Post Office Box 11329
Columbia, SC 29211-1329
Phone: (803) 896-4696
FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

ALEXANDER A MECIONIS
755 PONDEROSA DRIVE
CHARLESTON SC 29414

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: ALEXANDER A MECIONIS
Company name STOCK BUILDING SUPPLY
License/Registration Type: Specialty
License/Registration Number: 51568
Date Issued: 03/06/2009
License/Registration Status: LAPSED
Expiration Date: 06/30/2011
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger
Title Administrator
Date April 26, 2023

Please be aware license status can change at any time, please go to <https://verify.llronline.com/LicLookup/Resbu/Resbu.aspx?div=46> for current license status.

Unresolved disciplinary actions currently pending before the boards will not be included in the information presented. Reported discipline of licensees indicates the final disposition of contested cases, but may not reflect the current status of a license. Licensees are fully authorized to practice their professions unless their licenses have been restricted, suspended, revoked, deactivated or voluntarily surrendered. Licensees on probation may have been placed under certain professional restrictions which may limit the scope of their practice. Also, board actions reported here may not reflect any subsequent judicial actions to stay or modify the board's decision.



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Henry D. McMaster
Governor

Emily H. Farr
Director

KENNETH MATLACK
8215 Forest Point Boulevard
Charlotte NC 28273

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: KENNETH MATLACK
Company name STOCK BUILDING SUPPLY
License/Registration Type: Specialty
License/Registration Number: 50333
Date Issued: 02/19/2008
License/Registration Status: LAPSED
Expiration Date: 06/30/2011
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

MICHAEL E. AVANT
101 INNOVATION DRIVE
SUMMERVILLE SC 29483

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: MICHAEL E. AVANT
Company name STOCK BUILDING SUPPLY
License/Registration Type: Specialty
License/Registration Number: 49445
Date Issued: 06/25/2007
License/Registration Status: LAPSED
Expiration Date: 06/30/2009
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger
Title Administrator
Date April 26, 2023

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Governor

Emily H. Farr
Director

LEROY WILLIAMS
P O BOX 47
SYCAMORE SC 29846

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: LEROY WILLIAMS
Company name CAROLINA BUILDERS
License/Registration Type: Specialty
License/Registration Number: 14299
Date Issued: 07/18/1995
License/Registration Status: LAPSED
Expiration Date: 06/30/2011
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Governor

Emily H. Farr
Director

JAMES OLIVER
1147 WHITE PLAINS CHURCH RD
JEFFERSON SC 29718

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: JAMES OLIVER
Company name CAROLINA BUILDERS
License/Registration Type: Specialty
License/Registration Number: 40567
Date Issued: 04/09/2003
License/Registration Status: LAPSED
Expiration Date: 06/30/2013
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

ROBERT G BARRY
PO BOX 51233
MYRTLE BEACH SC 29579

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: ROBERT G BARRY
Company name CAROLINA BUILDERS
License/Registration Type: Specialty
License/Registration Number: 45362
Date Issued: 05/20/2005
License/Registration Status: LAPSED
Expiration Date: 06/30/2006
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger
Title Administrator
Date April 26, 2023

Please be aware license status can change at any time, please go to <https://verify.llronline.com/LicLookup/Resbu/Resbu.aspx?div=46> for current license status.



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Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

April 20, 2021

The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Michael E Avant d/b/a Stock Building Supply is currently licensed/registered by the Residential Builders Commission as a licensee/registrant, his registration was issued 06/25/2007 and expired on 06/30/2009.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Michael E Avant d/b/a Stock Building Supply.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator



Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.



NOTARY SIGNATURE

AW Baker
NOTARY PRINTED NAME

My Commission Expires: November 8, 2026

CERTIFIED TRUE COPY
BY: Rachyl Burgess 4/21/21
TITLE: FOIA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

110 Centerview Drive
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Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

April 20, 2021


The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Paul J Guyton d/b/a Stock Building Supply is currently licensed/registered by the Residential Builders Commission as a licensee/registrant, his registration was issued 09/06/2007 and expired on 06/30/2009.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Paul J Guyton d/b/a Stock Building Supply.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator



Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.



NOTARY SIGNATURE

AW Baker
NOTARY PRINTED NAME

My Commission Expires: November 8, 2026

CERTIFIED TRUE COPY
BY: Kathy Burgess #2121
TITLE: FOIA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Columbia, SC 29211-1329
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April 20, 2021

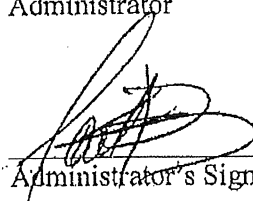
The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Kenneth Matlack d/b/a Stock Building Supply is currently licensed/registered by the Residential Builders Commission as a licensee/registrant, his registration was issued 02/19/2008 and expired on 06/30/2011.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Kenneth Matlack d/b/a Stock Building Supply.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator



Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.



NOTARY SIGNATURE



NOTARY PRINTED NAME

My Commission Expires: November 8, 2026

CERTIFIED TRUE COPY

BY: Kathy Burgess 4/21/21
TITLE: FOIA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

April 20, 2021

The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Eric S Sams d/b/a Stock Building Supply is currently licensed/registered by the Residential Builders Commission as a licensee/registrant, his registration was issued 04/10/2008 and expired on 06/30/2013.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Eric S Sams d/b/a Stock Building Supply.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator



Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.



NOTARY SIGNATURE

AW Baker
NOTARY PRINTED NAME

My Commission Expires: November 8, 2026

CERTIFIED TRUE COPY

BY: Kathy Burgess 4/21/21
TITLE: FOIA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Columbia, SC 29211-1329
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April 20, 2021

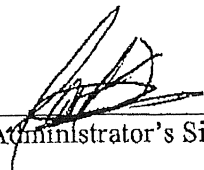
The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Alexander A Mecionis d/b/a Stock Building Supply is currently licensed/registered by the Residential Builders Commission as a licensee/registrant, his registration was issued 03/06/2009 and expired on 06/30/2011.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Alexander A Mecionis d/b/a Stock Building Supply.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator



Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.



NOTARY SIGNATURE

AW Baker
NOTARY PRINTED NAME

My Commission Expires: November 8, 2026

CERTIFIED TRUE COPY

BY: Kathy Burgess 4/21/21
TITLE: FOTA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Henry D. McMaster
Governor

Emily H. Farr
Director

MICHAEL BROWNLEE
244-102 SUN COLONY BOULEVARD
LONGS SC 29568

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: MICHAEL BROWNLEE
Company name CAROLINA DRYWALL CONSTRUCTION
License/Registration Type: Specialty
License/Registration Number: 32433
Date Issued: 12/02/1999
License/Registration Status: LAPSED
Expiration Date: 06/30/2009
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger
Title Administrator
Date April 26, 2023

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South Carolina
Department of Labor, Licensing and Regulation



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Henry D. McMaster
Governor

Emily H. Farr
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April 20, 2021

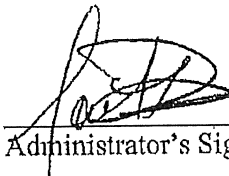
The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Carolina Drywall & Interior Inc a/k/a Carolina Drywall & Interiors Inc a/k/a Carolina Drywall Contractors Inc has been licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Carolina Drywall & Interior Inc a/k/a Carolina Drywall & Interiors Inc a/k/a Carolina Drywall Contractors Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator



Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.



NOTARY SIGNATURE



NOTARY PRINTED NAME

My Commission Expires: November 8, 2026

CERTIFIED TRUE COPY

BY: Kathy Burgess 4/21/21
TITLE: FOIA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

110 Centerview Drive
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Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

April 19, 2021

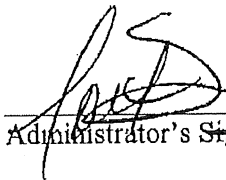
The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Carolina Drywall Inc is currently licensed/registered by the Residential Builders Commission as a licensee/registrant, his registration was issued 02/11/2011 and expired on 06/30/2011.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Carolina Drywall Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator


Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.

NOTARY SIGNATURE

NOTARY PRINTED NAME

My Commission Expires: _____

CERTIFIED TRUE COPY

BY: Kathy Burgess 4/21/21
TITLE: FOIA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

110 CenterView Drive
Post Office Box 11329
Columbia, SC 29211-1329
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FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

JOHN FRAZIER
822 3RD AVE S
SURSIDE BEACH SC 29575

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: JOHN FRAZIER

Company name ROOF DOCTOR OF THE CAROLINAS, INC

License/Registration Type: Specialty

License/Registration Number: 33636

Date Issued: 07/03/2000

License/Registration Status: ACTIVE IN RENEWAL

Expiration Date: 06/30/2023

Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger

Title Administrator

Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

STEVEN BOSCH
2513 TWO PINE DRIVE
CONWAY SC 29526

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: STEVEN BOSCH
Company name THE ROOFERMAN
License/Registration Type: Specialty
License/Registration Number: 31184
Date Issued: 06/03/1999
License/Registration Status: LAPSED
Expiration Date: 06/30/2009
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger
Title Administrator
Date April 26, 2023

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South Carolina
Department of Labor, Licensing and Regulation



Contractor's Licensing Board

110 Centerview Drive;
Post Office Box 11329
Columbia, SC 29211-1329
Office Phone: (803) 896-4686
FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

June 7, 2021

GENERAL CONTRACTOR'S LICENSE VERIFICATION

LICENSEE NAME: **TRI-CITY INSULATION & BLDG PRODUCTS OF M B**
700 CENTURY CIRCLE
CONWAY SC 29526

License Number: **CLG.108396**

Owner/President:

Initial License Date: **05/20/2003**

Expiration Date: **10/31/2006**

Qualifying Party Name(s):

License Classification(s): **BUILDING 5**

LICENSED BY:

- Technical Exam: Date(s) - _____
(a Passing Score of 70% or better was achieved)
- Reciprocity/Waiver Agreement from the State of _____.
- S.C. Grandfather provision; no technical exam taken.
- Work experience; a technical exam not required for _____ classification(s).

OTHER EXAMS:

- Passed SC Business Management and Law exam: Date - _____
- Passed SC Code of Laws Take Home exam: Date - _____.

LICENSEE STATUS:

- The current status of the license is: **LAPSED.**
- The licensee and qualifying party(s) are in good standing with the board.
- The qualifying party(s) was associated with this license from _____ to _____.

DISCIPLINARY ACTION:

- No Yes - Explanation: _____

OTHER:

CERTIFIED TRUE COPY

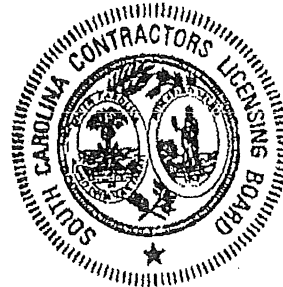
BY: Kathy Burgess 1/19/21
TITLE: FOIA Coordinator

If I can be of further assistance, please contact me at Kristina.Corson@llr.sc.gov or (803) 896-4686.

Sincerely,

Kristina M. Corson

Kristina Corson
Administrative Assistant



Contractors can perform commercial, residential and industrial related work. Additionally, there is no statutory requirement for commercial contractors to be licensed and bonded; therefore, that is solely at the discretion of the contractor.



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

June 7, 2021

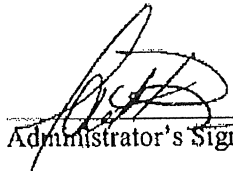
The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Tri-City Insulation and Building Products of Myrtle Beach Inc. is currently licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Tri-City Insulation and Building Products of Myrtle Beach Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator


Administrator's Signature

CERTIFIED TRUE COPY
BY: Kathy Burges 6/19/21
TITLE: FOIA Coordinator

Sworn and Subscribed before me this 7th day of June, year 2021.


NOTARY SIGNATURE

AW Baker
NOTARY PRINTED NAME

My Commission Expires: 11/6/2026



South Carolina
Department of Labor, Licensing and Regulation



Contractor's Licensing Board

110 Centerview Drive,
Post Office Box 11329
Columbia, SC 29211-1329
Office Phone: (803) 896-4686
FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

April 20, 2021

GENERAL CONTRACTOR'S LICENSE VERIFICATION

LICENSEE NAME: TRI-CITY INSULATION & BLDG PRODUCTS OF M B
700 CENTURY CIRCLE
CONWAY SC 29526
License Number: CLG.108396
Owner/President:
Initial License Date: 05/20/2003
Expiration Date: 10/31/2006
Qualifying Party Name(s):
License Classification(s): BUILDING

LICENSED BY:

- Technical Exam: Date(s) - _____
(a Passing Score of 70% or better was achieved)
- Reciprocity/Waiver Agreement from the State of _____.
- S.C. Grandfather provision; no technical exam taken.
- Work experience; a technical exam not required for _____ classification(s).

OTHER EXAMS:

- Passed SC Business Management and Law exam: Date - _____
- Passed SC Code of Laws Take Home exam: Date - _____.

LICENSEE STATUS:

- The current status of the license is: **LAPSED**.
- The licensee and qualifying party(s) are in good standing with the board.
- The qualifying party(s) was associated with this license from _____ to _____.

DISCIPLINARY ACTION:

- No Yes - Explanation: _____

OTHER:

If I can be of further assistance, please contact me at Kristina.Corson@llr.sc.gov or (803) 896-4686.

Sincerely,

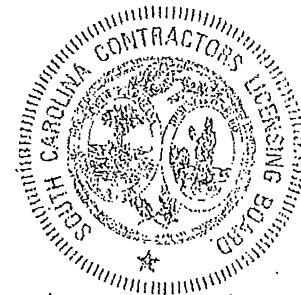
Kristina M. Corson

Kristina Corson
Administrative Assistant

CERTIFIED TRUE COPY

BY: Kathy Burgess 4/21/21

TITLE: FOIA Coordinator



Contractors can perform commercial, residential and industrial related work. Additionally, there is no statutory requirement for commercial contractors to be licensed and bonded; therefore, that is solely at the discretion of the contractor.



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

April 20, 2021

The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Tri-City Insulation and Building Products of Myrtle Beach Inc n/k/a Builder Services Group Inc is currently licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Tri-City Insulation and Building Products of Myrtle Beach Inc n/k/a Builder Services Group Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator


Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.


NOTARY SIGNATURE

AW Baker
NOTARY PRINTED NAME

My Commission Expires: November 8, 2026

CERTIFIED TRUE COPY

BY: Kathy Burgess 4/21/21

TITLE: FOIA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Henry D. McMaster
Governor

Emily H. Farr
Director

ARIAS LEONOR
6520 HWY 544
MYRTLE BEACH SC 29588

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: ARIAS LEONOR
Company name MARTIN MASONRY INC
License/Registration Type: Specialty
License/Registration Number: 36332
Date Issued: 05/03/2001
License/Registration Status: LAPSED
Expiration Date: 06/30/2006
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger
Title Administrator
Date April 26, 2023

Please be aware license status can change at any time, please go to <https://verify.llronline.com/LicLookup/Resbu/Resbu.aspx?div=46> for current license status.

Unresolved disciplinary actions currently pending before the boards will not be included in the information presented. Reported discipline of licensees indicates the final disposition of contested cases, but may not reflect the current status of a license. Licensees are fully authorized to practice their professions unless their licenses have been restricted, suspended, revoked, deactivated or voluntarily surrendered. Licensees on probation may have been placed under certain professional restrictions which may limit the scope of their practice. Also, board actions reported here may not reflect any subsequent judicial actions to stay or modify the board's decision.



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Henry D. McMaster
Governor

Emily H. Farr
Director

MARTIN MATA
6510 HWY 544
MYRTLE BEACH SC 29588

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: MARTIN MATA
Company name RAMON MASONRY
License/Registration Type: Specialty
License/Registration Number: 28813
Date Issued: 08/02/1999
License/Registration Status: LAPSED
Expiration Date: 06/30/2009
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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www.llr.sc.gov/POL/ResidentialBuilders/

April 26, 2023

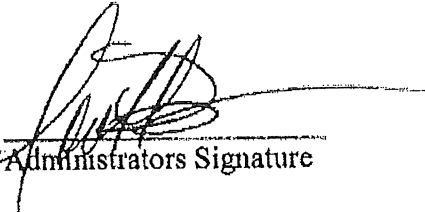
The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that BR Brick & Masonry Inc, BR Brick & Masonry LP f/k/a BR Brick & Masonry Inc has been licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of BR Brick & Masonry Inc, BR Brick & Masonry LP f/k/a BR Brick & Masonry Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator


Administrators Signature

Sworn and Subscribed before me this 26th day of April, year 2023.


NOTARY SIGNATURE


NOTARY PRINTED NAME

My Commission Expires: 3/25/2029



South Carolina
Department of Labor, Licensing and Regulation



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Residential Builders Commission

Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

April 26, 2023

The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Unicon Concrete LLC has been licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Unicon Concrete LLC.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator


Administrators Signature

Sworn and Subscribed before me this 26th day of April, year 2023.


NOTARY SIGNATURE


NOTARY PRINTED NAME

My Commission Expires: 3/28/2029



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

April 26, 2023

The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Seno's Cleaning Service has been licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Seno's Cleaning Service.


Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator


Administrators Signature

Sworn and Subscribed before me this 26th day of April, year 2023.


NOTARY SIGNATURE


NOTARY PRINTED NAME

My Commission Expires: 3/26/2029



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Governor

Emily H. Farr
Director

JAMES GAMBLE
486 WANDO PARK BLVD.
MT PLEASANT SC 29464

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: JAMES GAMBLE

Company name CREATIVE TOUCH INTERIORS

License/Registration Type: Specialty

License/Registration Number: 4992

Date Issued: 06/18/1998

License/Registration Status: LAPSED

Expiration Date: 06/30/2013

Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger

Title Administrator

Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

KEVIN VOGEL
165 CO OP RD
MYRTLE BEACH SC 29588-7375

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: KEVIN VOGEL
Company name FLOORS INC
License/Registration Type: Specialty
License/Registration Number: 37329
Date Issued: 10/18/2001
License/Registration Status: LAPSED
Expiration Date: 06/30/2007
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

ROBERT ROYALS
107 ROYALS CIR
CONWAY SC 29526-2827

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: ROBERT ROYALS
Company name CARPETS BY KENDALL INC
License/Registration Type: Specialty
License/Registration Number: 1486
Date Issued: 06/24/1999
License/Registration Status: LAPSED
Expiration Date: 06/30/2019
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

STEPHEN CORKUM
4501 SOCASTEE BLVD
MYRTLE BEACH SC 29588

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: STEPHEN CORKUM

Company name RELIABLE FLOOR SYSTEMS

License/Registration Type: Specialty

License/Registration Number: 27265

Date Issued: 07/21/1999

License/Registration Status: ACTIVE IN RENEWAL

Expiration Date: 06/30/2023

Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger

Title Administrator

Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

TODD TEMPLE
340 STAFFORD DR
MYRTLE BEACH SC 29579-3655

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: TODD TEMPLE
Company name TNT PAINTING
License/Registration Type: Specialty
License/Registration Number: 24970
Date Issued: 07/31/1998
License/Registration Status: ACTIVE IN RENEWAL
Expiration Date: 06/30/2023
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Residential Builders Commission

Henry D. McMaster
Governor

Emily H. Farr
Director

TRAVIS BROWN
5730 RIVERBANK PARK LOT 36
SOCASTEE SC 29588

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: TRAVIS BROWN
Company name TNT PAINTING
License/Registration Type: Specialty
License/Registration Number: 48052
Date Issued: 09/15/2006
License/Registration Status: LAPSED
Expiration Date: 06/30/2007
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

DONNA DALTON
P O BOX 30399
MYRTLE BEACH SC 29588-0007

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: DONNA DALTON
Company name PAINTING WITH PRIDE
License/Registration Type: Specialty
License/Registration Number: 25879
Date Issued: 05/08/1997
License/Registration Status: LAPSED
Expiration Date: 06/30/2002
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Farr
Director

WILLIAM EVANS
1305 10TH AVE
CONWAY SC 29526

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: WILLIAM EVANS
Company name TOP NOTCH PAINTERS
License/Registration Type: Specialty
License/Registration Number: 25195
Date Issued: 06/29/1999
License/Registration Status: LAPSED
Expiration Date: 06/30/2001
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

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Janet Baumberger
Title Administrator
Date April 26, 2023

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Henry D. McMaster
Governor

Emily H. Fair
Director

www.llr.sc.gov/POL/ResidentialBuilders/

June 7, 2021

The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Morningstar Consultants Inc has been licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Morningstar Consultants Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator



Administrator's Signature

CERTIFIED TRUE COPY
BY: Ruth Burgess 6/19/21
TITLE: FOIA Coordinator

Sworn and Subscribed before me this 7th day of June, year 2021.



NOTARY SIGNATURE

AW Baker

NOTARY PRINTED NAME

My Commission Expires: 11/8/2026



South Carolina
Department of Labor, Licensing and Regulation



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April 20, 2021

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1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Morningstar Consultants Inc has been licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Morningstar Consultants Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator



Administrator's Signature

Sworn and Subscribed before me this 20 day of April, year 2021.



NOTARY SIGNATURE

AW Baker

NOTARY PRINTED NAME

My Commission Expires: November 8, 2026

CERTIFIED TRUE COPY
BY: Kathy Burgess 4/21/21
TITLE: FITA Coordinator



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Director

www.llr.sc.gov/POL/ResidentialBuilders/

April 26, 2023

The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that MI Windows and Doors LLC has been licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of MI Windows and Doors LLC.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator


Administrators Signature

Sworn and Subscribed before me this 26th day of April, year 2023.


NOTARY SIGNATURE


NOTARY PRINTED NAME

My Commission Expires: 3/26/2029



South Carolina
Department of Labor, Licensing and Regulation



Contractor's Licensing Board

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Henry D. McMaster
Governor

Emily H. Farr
Director

June 7, 2021

**GENERAL CONTRACTOR'S
LICENSE EXAM VERIFICATION**

LICENSEE NAME: **MICHAEL DAWSON CONSTRUCTION INC**
PO BOX 2565
MYRTLE BEACH SC 29578

License Number: **CLG.105728**

Owner/President:

Initial License Date: **10/16/2001**

Expiration Date: **10/31/2008**

Qualifying Party Name(s): **MICHAEL DAWSON**

License Classification(s): **CONCRETE 1**

LICENSED BY:

- Technical Exam: Date(s) - _____
(a Passing Score of 70% or better was achieved)
- Reciprocity/Waiver Agreement from the State of _____.
- S.C. Grandfather provision; no technical exam taken.
- Work experience; a technical exam not required for _____ classification(s).

OTHER EXAMS:

- Passed SC Business Management and Law exam: Date - _____
- Passed SC Code of Laws Take Home exam: Date - _____.

LICENSEE STATUS:

- The current status of the license is: **LAPSED**.
- The licensee and qualifying party(s) are in good standing with the board.
- The qualifying party(s) was associated with this license from _____ to _____.

DISCIPLINARY ACTION:

- No Yes - Explanation: _____

OTHER:

CERTIFIED TRUE COPY
BY: Kathy Burgess 6/9/21
TITLE: FOIA Coordinator

If I can be of further assistance, please contact me at Kristina.Corson@llr.sc.gov or (803) 896-4686.

Sincerely,

Kristina M. Corson

Kristina Corson
Administrative Assistant



Contractors can perform commercial, residential and industrial related work. Additionally, there is no statutory requirement for commercial contractors to be licensed and bonded; therefore, that is solely at the discretion of the contractor.



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

110 Centerville Drive
Post Office Box 11329
Columbia, SC 29211-1329
Phone: (803) 896-4696
FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

June 7, 2021

The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that Michael Dawson d/b/a Michael Dawson Construction, Inc. is currently licensed/registered by the Residential Builders Commission as a licensee/registrant, his registration was issued 11/15/2001 and expired on 06/30/2013.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of Michael Dawson d/b/a Michael Dawson Construction, Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator



Administrator's Signature

CERTIFIED TRUE COPY
BY: Kathy Burgess
TITLE: F.O.A. Coordinator

Sworn and Subscribed before me this 7th day of June, year 2021.



NOTARY SIGNATURE

AW Baker

NOTARY PRINTED NAME

My Commission Expires: 11/8/2026



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

110 Centerview Drive
Post Office Box 11329
Columbia, SC 29211-1329
Phone: (803) 896-4696
FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

JEFF LONG
401 DUNROBIN LANE
SIMPSONILLE SC 29681

This is to certify that the records of the Residential Builders Commission indicate the following information regarding:

Name: JEFF LONG
Company name AMERICAN RESIDENTIAL SERVICES
License/Registration Type: Specialty
License/Registration Number: 27658
Date Issued: 07/21/1999
License/Registration Status: LAPSED
Expiration Date: 06/30/2001
Licensure/Registration Based on: Reference Letters

Disciplinary Action: None

A check mark indicates that licensure/registration has not been continuous.

If other information is needed, please contact this office at the number above.

*Please be advised that this form must be submitted in a sealed envelope, otherwise this form will not be accepted.

Janet Baumberger
Title Administrator
Date April 26, 2023

Please be aware license status can change at any time, please go to <https://verify.llronline.com/LicLookup/Resbu/Resbu.aspx?div=46> for current license status.



South Carolina
Department of Labor, Licensing and Regulation



Residential Builders Commission

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Columbia, SC 29211-1329
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FAX: (803) 896-4814

Henry D. McMaster
Governor

Emily H. Farr
Director

www.llr.sc.gov/POL/ResidentialBuilders/

May 2, 2023


The undersigned, having first been duly sworn, does hereby attest or affirm the following:

1. She is Administrator for the Residential Builders Commission, South Carolina Department of Labor, Licensing and Regulation.
2. She has conducted a search of the Department of Labor, Licensing and Regulation's Residential Builders Commission records and has found no evidence that AK Construction Inc a/k/a AK Framing and siding Co, AK United Inc f/k/a AK Construction Inc, Coastal Carolina Mechanical Contractors, Vance Johnson Plumbing Co Inc, or Vereen Concrete Co Inc have been licensed/registered by the Residential Builders Commission as a licensee/registrant.
3. As of the date of this affidavit, there is no one or no entity currently licensed/registered by the name of AK Construction Inc a/k/a AK Framing and siding Co, AK United Inc f/k/a AK Construction Inc, Coastal Carolina Mechanical Contractors, Vance Johnson Plumbing Co Inc, or Vereen Concrete Co Inc.

Further Affiant sayeth not.

Please contact this office if you have any questions concerning this matter.

Janet Baumberger
Administrator


Administrators Signature

Sworn and Subscribed before me this 2nd day of May, year 2023.


NOTARY SIGNATURE

YOLANDA BARNES
NOTARY PRINTED NAME

My Commission Expires: 02-05-29



Santee Cooper Good Cents
Skip Lewis to: Robert Carter

10/10/2019 09:39 PM

History

This message has been forwarded.



SanteeCooperGoodCentsFiasco.pdf

BC,

Attached are two papers I came across this evening. Might be worth your reading.

It might be important to confirm if all buildings were constructed compliant with the Good Cents program.

If they were, or in the alternative....all of the ones that were built to comply, may have to be addressed by someone.

The "someone" would need to be determined by legal minds.

For buildings that were built this way, the only fix of which I am aware involves removal of all interior GWB on exterior wood stud walls, removal of the vapor barrier material, and repair of damaged studs/sheathing.....a costly affair.

The reason I bring this up is that some of the photos I have seen of brick veneer which, as reported by others, allegedly separated from the sheathing because of a failure to engage brick ties. Where the picture is taken, there is also deterioration of OSB. I suspect the real reason for veneer wall detachment is likely that sheathing has deteriorated from moisture in the stud cavity resulting from the interior side polyethylene vapor barrier and the inability of sheathing to provide an anchor for the corrugated ties.

This, in my judgment, is a very big deal and needs to be discussed with counsel asap....before we issue any reports. It is quite possible that recurring high humidity levels inside the stud cavities is a root cause of all or most of the weather related issues being found at the exterior wall coverings. Repairs to correct would be expensive and disruptive. Work theoretically could be done from inside, or outside. For the earlier ones on which I was involved, we did repair work from the outside.

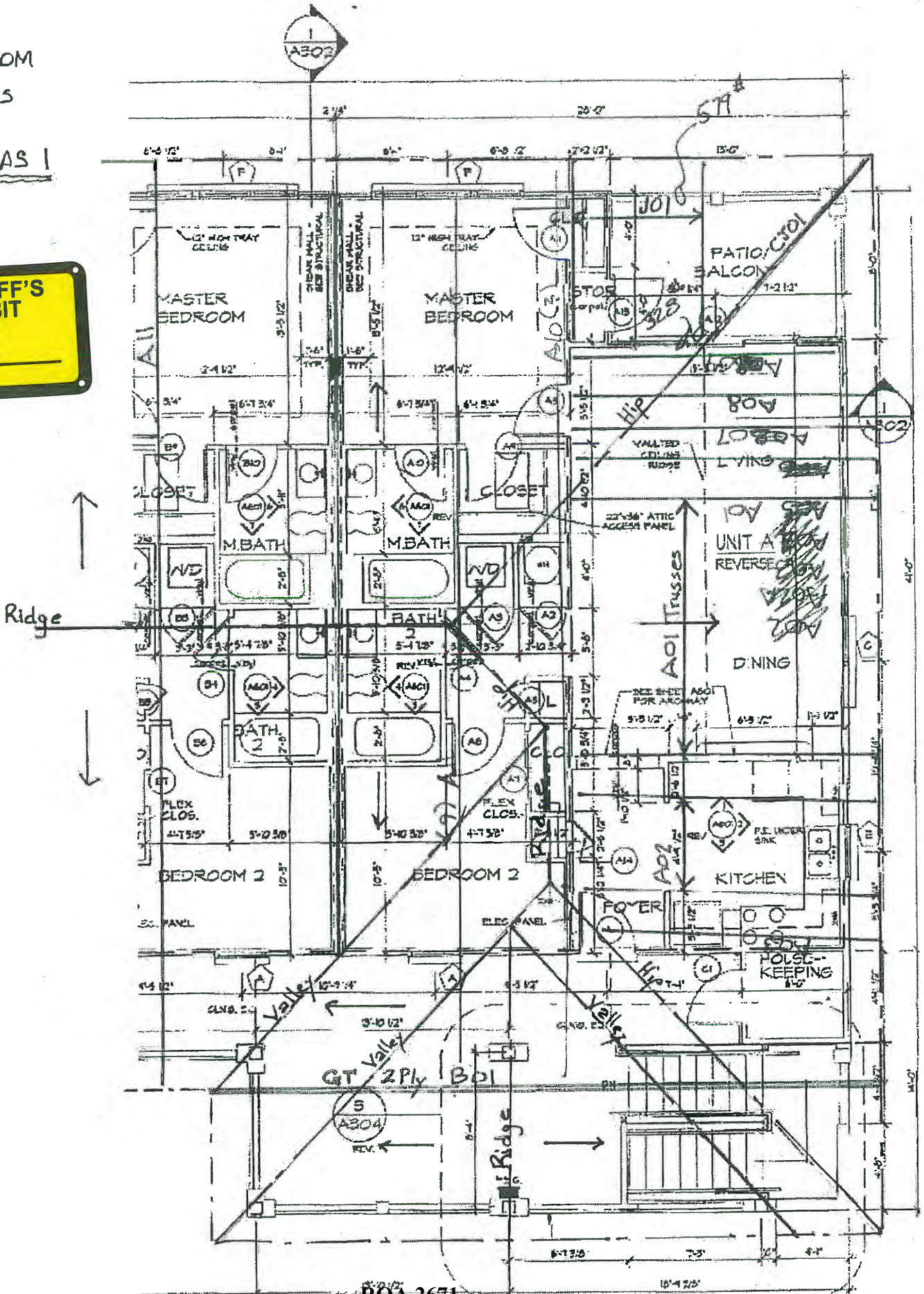
Skip Lewis
H2L Consulting Engineers
116 South Pleasantburg Dr.
Greenville, SC 29607
(864) 233-8844



ROA 2670

TAKEN FROM
DRAWINGS
FOR:
GOLF VILLAS I

PLAINTIFF'S
EXHIBIT
10



Golf Villas I.

Uplift Reactions at Roof Trusses Depicted On Sketch

Truss No	Exterior Wall	Interior Wall or Jack Truss
A01	879#	1140#
A02	857#	1149#
A03	864#	1085#
A07	949#	1016#
A08	956 1001#	906#
A09	1037#	811#
B01	6064/6019	-
CJ01	1437#	260#
J01	579#	328#
A11	2734 (04 Wall Front)	-
	321 (W'Way Been)	-
	2387 (Rear Wall)	-

Simpson Uplift Conn.

Responsibilities for design of truss connections:
 Truss to Building Structure — By Building Designer
 Truss to Truss ————— By Truss Designer

Notes From Sheet S7 and S8.

S7 - One roof truss detail "Girder Truss to Roof Truss Connection Detail:
Mislabelled, Detail is Roof Truss to Supporting Beam. Would expect
it to be applicable as needed at Balcony Beams and
Walkway Beams.

S8 - Section 1 "Simpson MTS 16 Hurricane Anchor, Ea. End, Ea. Truss."
"2x Solid Blocking Between Trusses."

Section 2 "(2) Simpson H2.5 Hurricane Ties, Staggered."
Does Not Specify Blocking Between Trusses.

Section 8 "(2) Simpson H2.5, Staggered" where Truss Bears On LR/Bed. Wall
"MTS 16, Ea. End, Ea. Truss" at Truss Bearing On Balcony Beam.

From Roof Framing Plan, MTT 28B (appears to be difficult to read) to anchor
girder trusses at wall bearing locations. Corresponds
to Isometric Diagram on Sheet.

Notes From Assessment Of Truss Data Sheets. [No Layout Dwg's Avail.]

- No Truss Layout drawings located.
- Truss Data Sheets available (but apparently not complete sets)
for "Golf 1 Condo Roof"
"Golf 1A Roof"
"Golf 2 Roof"
"Golf 2A Roof" } No identification or correlation of
data sheet sets by Building No.
- Const. Doc. Dwg's Available:
Golf Villas 1, Architectural Only
Golf Villas 2, Structural Only.
- Roof Plan Sheets in comparing Arch 1 vs. Struc 2, appear very similar
- Significant differences apparent in concept truss layout
as shown on Struc. 2 and truss configurations (and layout)
prepared by TRUSS DESIGNER.



JOB _____ NO: _____

LOCATION _____

CALCULATED BY _____ DATE: _____

CHECKED BY _____ DATE: _____

DESCRIPTION _____

SCALE _____ SHEET NO.: 2 OF _____

ROA 2673

H2L CONSULTING ENGINEERS
116 South Pleasantburg Drive
GREENVILLE, SOUTH CAROLINA 29607
(864) 233-8844 FAX: 232-2679

• What appears to be at least some differences between Dwg. S5 and Trusses represented by Truss Data Sheets from review of framing above end units:

- a) Hip roof trusses above Kitchen, Dining and Living Room bear on wall separating BR Side of Unit from K, D & LR side of Unit. Curry drawing shows presence of Girder Truss which is not present.
- b) Trusses above Balcony - some supported by perimeter beam and DL wall others supported by perimeter beam and Ridge Beam.
- c) See Marked Up BK all Sheet showing truss layout above an End Unit and typical Uplift Reactions.

From "Golf 2 Roof" Data Sheets.

Truss No	Believed Location	Uplift Reaction Ext. Wall	Uplift Reaction e Rear Side Perimeter Beam
A01 (16Ea)	Above Din/Liv Rm	879# ① SW	NA
A02 (8Ea)	Above Kitchen	857# ② SW	NA
A09 (2Ea)	Trans. Area Above L.R	1037# ③ SW	NA
A11 (18Ea)	Above BR Side of DL	2387# ④ RW	
J06 (6Ea)	Above Balcony	501# ⑤	① 731#
CJ02 (2Ea)	Jack Truss Above Balcony	2203# ⑥	② 967# (At Post)

SW = Side Wall, RW = Rear Wall, FW = Front Wall

Simpson connectors suitable for anchorage of trusses against uplift forces:

Loc.	Simpson Conn.	Rated U.L. Resistance	No. Connectors Needed
	MTS 16		

H2L CONSULTING ENGINEERS
 116 South Pleasantburg Drive
 GREENVILLE, SOUTH CAROLINA 29607
 (864) 233-8844 FAX: 232-2679

JOB _____ NO.: _____
 LOCATION _____
 CALCULATED BY _____ DATE: _____
 CHECKED BY _____ DATE: _____
 DESCRIPTION _____
 SCALE _____ SHEET NO.: 3 OF _____
ROA 2674

Comparison of Structural Roof Framing Plan to Truss Data Sheets in File of H2L. (Ref. Curry Dwg. No. S5). "Golf Villa 2"

1. Drawing shows Girder Truss spanning from front side to rear side of both ends (near ends) of building. Girder Truss shown by Curry to support inboard reactions of multiple Hip Trusses at left and right ends of the building.

Truss Designer eliminated the above Girder Trusses and designed hip trusses to bear on an interior Load Bearing Wall. Interior wall separates BR walls from kitchen and living (Cathedral) spaces.

Roof Truss that replaces Girder Truss will have much lower UL reactions

Typical UL reactions from Jack Trusses at rear balcony (Porch) is on order of 580 lb. Uplift Capacity of (1) Simpson H2.5 = 415#
(1) Simpson H2.5A = 600#

H2L CONSULTING ENGINEERS
116 South Pleasantburg Drive
GREENVILLE, SOUTH CAROLINA 29607
(864) 233-8844 FAX: 232-2679

JOB _____ NO.: _____

LOCATION _____

CALCULATED BY _____ DATE: _____

CHECKED BY _____ DATE: _____

DESCRIPTION _____

SCALE _____ SHEET NO.: 3 OF _____

ROA 2675

18517



General Notes for Approval

Job Name Molt 1 Parado Pl

Job Number 08140

Appears To Be Incomplete Set.

Package Same As Package Golf 2.

THESE NOTES APPLY TO ALL PRODUCTS SUPPLIED BY BFS-SHAW, INC.

1. Builders FirstSource-Shaw, Inc. supplies individual building components that may be incorporated into a building design at the specification of the building designer. All information on these attached documents should be reviewed and approved by the project building designer prior to fabrication to ensure that each designed component is in compliance with the governing building codes and project requirements.
2. Design drawings submitted for approval may bear the seal of a professional engineer that certifies that the individual building component is designed for the criteria shown on the drawing. Documents provided by Builders FirstSource-Shaw, Inc. (sealed or unsealed) do not replace your need of a structural engineer to determine if the designed components will properly perform as intended within the total structure. Design drawings may be submitted without a professional engineer's seal for the building designer to review and approve. This allows any issues to be resolved and the sealed drawing reflect what is supplied. Gable and studded members are designed as a non-structural and are provided for closure. No seal is offered for non-structural members.
3.
 - A. The attached drawings were prepared from architectural plans by _____ with the most recent revision date of _____.
 - B. The attached drawings were prepared using information provided to us by _____ with the most recent revision date of _____.
 - C. The attached drawings were prepared using undated drawings provided to us by _____.
4. Each individual building component is designed to perform in a specific application. Do not deviate from the intended application or alter from the placement plan location without the approval of Builders FirstSource-Shaw, Inc.
5. Erection, handling, safety, precautions, and temporary and permanent bracing of trusses is the responsibility of the contractor and building designer and are not part of these truss design drawings. All lateral bracing specified on each truss design drawing is intended to provide lateral restraint for individual truss members only. It is the responsibility of the building designer to specify permanent building bracing and integrate the truss bracing into the designed system. The truss erector or contractor should obtain competent, professional advice for permanent bracing design, amount, and proper installation. See HIB-91.
6. Do not cut or modify any truss, beam, or hanger supplied by Builders FirstSource-Shaw, Inc. It is the contractor's responsibility to insure that each component is clear from all pipes, drains, chases, stairs, fireplaces, and other items that may require the individual building component supplied to be cut or altered. Any drilling of holes, notching, cutting, or removing any cross sectional area of wood will void these drawings.
7. Nail or bolt schedules for girder trusses or scabs are indicated on the individual truss drawing.
8. The contractor is responsible to verify the truss dimensions, profile, slope, and quantities. Builders FirstSource-Shaw, Inc. assumes the responsibility to manufacture the truss to agree with the approved shape and satisfy QST criteria.
9. Trusses are designed to only support the listed uniform loads at the spacing indicated. Trusses are not designed to support concentrated loads from any other tributary system, including floors or roof at upper levels, unless noted on the drawing.
10. Truss to truss bearing connection to be designed and specified by the building designer. Suggested truss to truss connections may be indicated by Builders FirstSource-Shaw, Inc.
11. Trusses should be inspected prior to and after erection for plate embedment, lumber damage (cracks, breaks, crushing, and etc.), bow, variation from plumb, etc. to insure their structural integrity. Immediately notify Builders FirstSource-Shaw, Inc. of truss damage.
12. All individual building components are designed to the criteria shown on each individual design drawing. Builders FirstSource-Shaw, Inc. has made every effort to ensure the design criteria used satisfies minimum code criteria. However, the building designer or contractor should consult a professional and local code official to ensure all governing criteria are satisfied.



Job	Truss	Truss Type	Qty	Ply	
88140-1	A01	ROOF TRUSS	16	1	Golf 1 Roof
Builders' Materials, Sumter, SC 29151			4.0-22 7 Feb 19 1999 Miller Industries, Inc. Thu Mar 09 13:49:04 2000 Page 1		

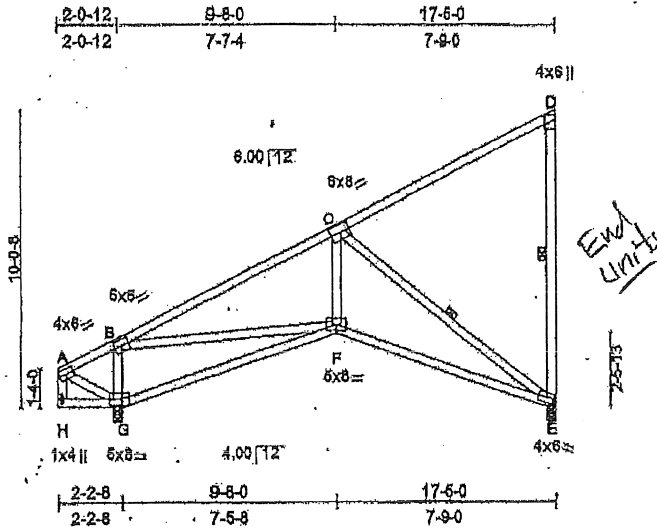


Plate Onsets (X,Y): [D:8-0,0-1-15], [G:5-4,0-2-8]

LOADING (psf)	SPACING	CSI	DEFL	PLATES GRIP
TOLL 20.0	2-0-0	TC 0.70	(in) (no) /defl	M20 249/190
TODL 10.0	Plates Increase 1.15	BC 0.27	Vert(LL) 0.11 F >999	
BCLL 0.0	Lumber Increase 1.15	WB 0.53	Vert(TL) 0.09 F >999	
BCDL 10.0	Rep Stress Iner YES	(Matrix)	Horz(TL) -0.10 E Na	Weight: 107 lb
	Code SBC/ANSI96		1st LO LL Min Vdef = 240	

LUMBER
 TOP CHORD 2 X 4 SYP SS
 BOT CHORD 2 X 4 SYP No. 1
 WEBS 2 X 4 SYP No. 3 *Except*
 D-E 2 X 4 SYP No. 2, B-F 2 X 4 SYP No. 2, C-E 2 X 4 SYP No. 2

BRACING
 TOP CHORD Sheathed or S-0-0 on center purlin spacing, except end verticals.
 BOT CHORD Rigid ceiling directly applied or 4-10-9 on center bracing.
 WEBS 1 Row at maspl C-E, C-E

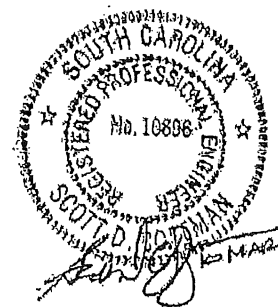
REACTIONS (lb/size) E=591/3-8, G=779/3-8
 Max Horz G=107/0(load case 2)
 Max Up/RE=-140/0(load case 2), G=879/0(load case 2)

FORCES (lb) - First Load Case Only
 TOP CHORD A-B=54, B-C=958, C-D=94, D-E=-192, A-H=34
 BOT CHORD G-H=86, F-G=57, E-F=837
 WEBS B-G=719, B-F=741, C-F=460, C-E=546, A-G=169

- NOTES**
- This truss has been designed for the loads generated by 100 mph winds at 37 ft above ground level located 1 mi from the hurricane ocean line. ASCE 7-98 components and cladding external pressure coefficients for the exterior (2) zone and 7.0 psf top chord and 5.0 psf bottom chord dead load are being used. The design assumes occupancy category I, terrain exposure O and internal pressure coefficient condition I. The building dimensions are 107 ft by 58 ft. If end verticals exist, the left is exposed and the right is not exposed. If cantilevers exist, they are exposed to wind. If porches exist, they are not exposed to wind. The lumber DOL increase is 1.50, and the plate grip increase is 1.60.
 - All plates are M20 plates unless otherwise indicated.
 - This truss has been designed for a live load of 20.0 psf on the bottom chord in all areas with a clearance greater than 3-6-0 between the bottom chord and any other members.
 - Bearing at joint(s) E considers parallel to grain values using ANS/ITPI 1-1995 angle to grain formula. Building designer should verify capacity of bearing surface.
 - Provide mechanical connection (by others) of truss to bearing plate capable of withstanding 1140 lb uplift at joint E and 879 lb uplift at joint G.
 - This truss has been designed with ANS/ITPI 1-1995 criteria.
 - This manufactured truss is an individual building component which may be incorporated into the overall building design at the specification of the project building designer. The building designer must check that the design criteria shown is appropriate for the intended application. The building designer may need to provide additional details to use this component in their building design.

LOAD CASE(S) Standard

**FOR APPROVAL
 ONLY
 NOT FOR CONSTRUCTION**



End Unit, Above LR, Near Balcony.

Watkins Services, Inc
Time by Job Detail

All Transactions

<u>Date</u>	<u>Name</u>	<u>Billing Status</u>	<u>Duration</u>
Expert Witness Projects: Stanley Law Firm: Wedgewood			
Labor: Carpenter			
11/29/2016	Dye, Wesley S	Billed	7.50
11/29/2016	Rheam (Carpenter), Richard M	Billed	7.50
11/29/2016	Sammons, Stephan R	Billed	7.50
11/29/2016	Smyly, JR, John L	Billed	7.50
11/30/2016	Sammons, Stephan R	Billed	10.50
11/30/2016	Dye, Wesley S	Billed	10.50
11/30/2016	Smyly, JR, John L	Billed	10.50
11/30/2016	Rheam (Carpenter), Richard M	Billed	10.50
12/01/2016	Sammons, Stephan R	Billed	10.00
12/01/2016	Dye, Wesley S	Billed	10.00
12/01/2016	Smyly, JR, John L	Billed	10.00
12/01/2016	Rheam (Carpenter), Richard M	Billed	10.00
12/02/2016	Sammons, Stephan R	Billed	10.00
12/02/2016	Dye, Wesley S	Billed	10.00
12/02/2016	Smyly, JR, John L	Billed	10.00
12/02/2016	Rheam (Carpenter), Richard M	Billed	10.00
12/09/2016	Hodge, David W	Billed	3.00
12/14/2016	Smith, Michael E	Billed	2.50
12/14/2016	Rheam (Carpenter), Richard M	Billed	3.00
12/14/2016	Sammons, Stephan R	Billed	4.00
12/14/2016	Smyly, JR, John L	Billed	4.00
12/14/2016	Dye, Wesley S	Billed	4.00
12/15/2016	Smith, Michael E	Billed	10.00
12/15/2016	Rheam (Carpenter), Richard M	Billed	10.00
12/15/2016	Sammons, Stephan R	Billed	10.00
12/15/2016	Smyly, JR, John L	Billed	10.00
12/15/2016	Dye, Wesley S	Billed	10.00
12/16/2016	Smith, Michael E	Billed	4.50
12/16/2016	Rheam (Carpenter), Richard M	Billed	11.00
12/16/2016	Sammons, Stephan R	Billed	11.00
12/16/2016	Smyly, JR, John L	Billed	11.00
12/16/2016	Dye, Wesley S	Billed	11.00
12/19/2016	Smith, Michael E	Billed	3.50
12/19/2016	Rheam (Carpenter), Richard M	Billed	1.00
12/19/2016	Dye, Wesley S	Billed	1.00
12/20/2016	Smith, Michael E	Billed	6.00
12/20/2016	Rheam (Carpenter), Richard M	Billed	4.00
12/20/2016	Rheam (Carpenter), Richard M	Billed	9.50
12/20/2016	Sammons, Stephan R	Billed	4.00
12/20/2016	Sammons, Stephan R	Billed	9.50
12/20/2016	Smyly, JR, John L	Billed	4.00
12/20/2016	Smyly, JR, John L	Billed	9.50



Watkins Services, Inc
Time by Job Detail

All Transactions

<u>Date</u>	<u>Name</u>	<u>Billing Status</u>	<u>Duration</u>
12/20/2016	Dye, Wesley S	Billed	3.00
12/20/2016	Dye, Wesley S	Billed	10.50
12/20/2016	Reyes, Omar	Billed	13.50
12/20/2016	De Alba, Juan	Billed	13.50
12/20/2016	Mendoza, Ricardo	Billed	13.50
12/21/2016	Reyes, Omar	Billed	10.00
12/21/2016	De Alba, Juan	Billed	10.00
12/21/2016	Mendoza, Ricardo	Billed	10.00
12/21/2016	Rheam (Carpenter), Richard M	Billed	11.00
12/21/2016	Smyly, JR, John L	Billed	11.00
12/21/2016	Sammons, Stephan R	Billed	11.00
12/21/2016	Dye, Wesley S	Billed	11.00
12/22/2016	Reyes, Omar	Billed	11.50
12/22/2016	De Alba, Juan	Billed	11.50
12/22/2016	Mendoza, Ricardo	Billed	11.50
12/22/2016	Smith, Michael E	Billed	6.00
12/22/2016	Rheam (Carpenter), Richard M	Billed	9.50
12/22/2016	Smyly, JR, John L	Billed	9.50
12/22/2016	Sammons, Stephan R	Billed	9.50
12/22/2016	Dye, Wesley S	Billed	9.50
12/27/2016	Reyes, Omar	Billed	13.00
12/27/2016	De Alba, Juan	Billed	13.00
12/27/2016	Mendoza, Ricardo	Billed	13.00
12/27/2016	Rheam (Carpenter), Richard M	Billed	11.00
12/27/2016	Smyly, JR, John L	Billed	11.00
12/27/2016	Sammons, Stephan R	Billed	11.00
12/27/2016	Dye, Wesley S	Billed	11.00
12/28/2016	Rheam (Carpenter), Richard M	Billed	9.50
12/28/2016	Smyly, JR, John L	Billed	9.50
12/28/2016	Dye, Wesley S	Billed	9.50
12/28/2016	Sammons, Stephan R	Billed	9.50
12/29/2016	Rheam (Carpenter), Richard M	Billed	9.50
12/29/2016	Smyly, JR, John L	Billed	9.50
12/29/2016	Dye, Wesley S	Billed	9.50
12/29/2016	Sammons, Stephan R	Billed	9.50
12/31/2016	Smith, Michael E	Billed	7.00
01/24/2017	Hodge, David W	Billed	1.00
Total Labor; Carpenter			696.50
Total Expert Witness Projects: Stanley Law Firm: Wedgewood			696.50
TOTAL			696.50



Post Office Box 1859
 Myrtle Beach, SC 29578
 Phone: (843) 448-3900 Fax: (843) 448-7150
 Accounting Emails: krumberg@watkinsservicesinc.com

Invoice

DATE	INVOICE #
3/6/2017	3869

Tax ID - 57-1096090

BILL TO
Stanley Law Firm, LLC Attorneys At Law 3303 E. Highway 9 Little River, SC 29566

PROJECT
Wedgewood DT

QUANTITY	DESCRIPTION	RATE	AMOUNT
	Listed below are the posted billable costs of materials, expenses and labor for destructive testing work performed at Wedgewood		
696.5	Hours for Field Personnel	45.00	31,342.50
	Materials, supplies and other expenses	4,707.56	4,707.56
	15% Overhead	706.13	706.13
	10% Profit	470.75	470.75
	15% Overhead Credit	-706.13	-706.13
	10% Profit Credit	-470.75	-470.75
	Professional Courtesy Credit (10%)	-3,605.01	-3,605.01
We appreciate your business!		Total	\$32,445.05



STATE OF SOUTH CAROLINA

COUNTY OF HORRY

Wedgewood Condominium Association,

Plaintiff,

vs.

Centex Homes, a Nevada General Partnership; Balfour Beatty Construction, LLC as successor by merger to Centex Construction Company, Inc. and Centex Construction, LLC, Crescent Architects, LLC and CEMS Engineering, Inc.,

Defendants.

Centex Homes, a Nevada General Partnership,

Third-Party Plaintiff,

vs.

Right Way Construction, Inc. a/k/a RWG, Inc. a/k/a Right Way Group, Inc. a/k/a RWGR, Inc.; Frank Harris d/b/a Frank Harris Construction a/k/a F. Harris Construction a/k/a Harris Drywall; Builders FirstSource – Southeast Group, LLC; Stock Building Supply, LLC f/k/a Stock Building Supply, Inc. f/k/a Carolina Builders Corporation; Michael D. Brownlee d/b/a Carolina Drywall & Interiors; Carolina Drywall & Interior, Inc. a/k/a Carolina Drywall & Interiors, Inc. a/k/a Carolina Drywall Contractors, Inc.; Roof Doctor of the Carolinas, Inc.; John D. Frazier d/b/a and/or a/k/a Roof Doctor and/or Roof Doctor of the Carolinas and/or Roof Doctor of the Carolinas, Inc.; Steven Bosch d/b/a The Roofer Man; Tri-City Insulation and Building Products of Myrtle Beach, Inc.; Martin Mata d/b/a Martin Masonry; Martin Masonry, Inc.; BR

IN THE COURT OF COMMON PLEAS

FIFTEENTH JUDICIAL DISTRICT

Case No.: 2018-CP-26-00307

CENTEX HOMES, A NEVADA
GENERAL PARTNERSHIP'S
RESPONSES TO
PLAINTIFF'S REQUEST FOR
ADMISSIONS



Brick & Masonry, Inc.; BR Brick & Masonry, LP f/k/a BR Brick & Masonry, Inc.; Unicon Concrete, LLC; Seno's Cleaning Service; Rice Planter Carpets, Inc. n/k/a Creative Touch Interiors, Inc., Floors, Inc. successor by merger to Rice Planter Carpets, Inc.; Carpets By Kendall, Inc.; Reliable Floor Systems, Inc.; TNT Painting; Paint with Pride a/k/a Painting with Pride; William Evans d/b/a Top Notch Painters; Morningstar Consultants Inc.; and MI Windows and Doors, LLC,

Third-Party Defendants.

Defendant and Third-Party Plaintiff Centex Homes, a Nevada General Partnership ("Centex"), by and through its below-signed attorneys and pursuant to S.C.R.C.P. 34 and 36, responds to the Requests for Admissions as follows:

RESERVATION OF RIGHTS

Centex reserves all rights to objections which may be available to it as it relates to these Requests and further states that these responses should not be deemed as an admission of relevancy, materiality or admissibility into evidence of any particular Requests or the response thereto, or of the documents referenced therein.

Specifically, Centex objects to use at trial of Annual Reports of PulteGroup, Inc., or the information contained therein, as such information is overly broad, immaterial to the matters at issue in this lawsuit against Centex Homes, and likely to confuse or mislead the jury as to the nature of the relationship between Centex Homes and PulteGroup, Inc.

RESPONSES TO REQUEST FOR ADMISSIONS

1. That attached hereto are true and accurate copies of the 2015, 2106, 2017 and 2018 Annual Reports of PulteGroup, Inc.

RESPONSE: Centex objects to this Request as unduly burdensome in that an accurate and complete response would require a line-by-line comparison of the 448 pages documents attached to Plaintiff's request to true and accurate copies of the 2015, 2106, 2017 and 2018 Annual Reports of PulteGroup, Inc.

However, Centex admits that the documents bates labeled *Centex (Wedgewood) 018209-018656*, which are produced herewith via sharefile link, are true and accurate copies of the 2015, 2106, 2017 and 2018 Annual Reports of PulteGroup, Inc.

2. That Centex is a subsidiary of PulteGroup, Inc.

RESPONSE: Centex admits that Centex Homes is indirectly, but ultimately, a subsidiary of PulteGroup, Inc.

3. The PulteGroup, Inc. is the parent company of Centex.

RESPONSE: Centex objects to this Request in that "parent company" is undefined and ambiguous. Subject to this objection, Centex admits that Centex Homes is indirectly, but ultimately, a subsidiary of PulteGroup, Inc.

PARKER POE ADAMS & BERNSTEIN LLP
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November 6, 2019

CERTIFICATE OF SERVICE

This is to certify that a copy of Centex Homes, a Nevada General Partnership's Responses to Plaintiff's Request for Admission has been served upon the following counsel of record by electronic mail and placing the same in the United States mail, first class postage prepaid, addressed to the following as shown below this 7th day of November, 2019.

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I hereby certify that I have this day served the following counsel of record with a copy of the foregoing pleading by electronic mail properly addressed to the following:

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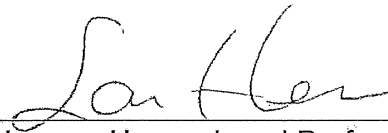
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I hereby certify that I have this day served the following counsel of record with a copy of the foregoing pleading by placing the same in the United States mail, first class postage prepaid, addressed to the following as shown:

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2018 ANNUAL REPORT

LETTER TO THE OWNERS, CUSTOMERS, TEAM MEMBERS AND BUSINESS PARTNERS OF PULTEGROUP:

2018 was PulteGroup's best year in well over a decade. 2018 was arguably the most challenging year we have faced since the current housing recovery began. It is a complex year when you can make these two statements and have them both be true.

The U.S. housing industry entered 2018 with tremendous momentum and expectations for another year of double-digit growth, as the fundamental macroeconomic supports of demand remained solidly in place. While the strong start to 2018 allowed us to deliver outstanding full-year financial results, the operating landscape changed and became increasingly more competitive as the year progressed.

Review of 2018 Financial Results

Let me begin with 2018 being our best year in over a decade. There is a lot to be proud of in the Company's full year operating and financial results, and I am pleased to say that we realized near-term records across a variety of business metrics. It is important to note that the strong results are a direct reflection of the business strategies and tactics we have been implementing since the housing recovery began in 2011.

Driven by strong price appreciation and a 10% increase in closings over the prior year, homebuilding revenues grew by 19% to \$10.0 billion, as we generated higher revenues across all product lines: first time, move up and active adult. We see our ability to serve all buyers as a distinct advantage and believe this diversification provides the Company unique opportunities over the housing cycle.

Benefitting from a variety of ongoing initiatives targeting margins, overheads and overall business efficiencies, we successfully leveraged this top-line growth into a 44% increase in pre-tax income. Inclusive of the lower tax rate provided by the Tax Cuts and Jobs Act of 2017, our net income for 2018 more than doubled over the prior year to \$1.0 billion. Finally, reflecting the impact of our sustained stock repurchase program which lowered the Company's year-over-year diluted share count by another 3%, we reported 2018 earnings of \$3.55 per share, a significant increase from 2017 per share earnings of \$1.44.

In addition to driving tremendous earnings growth, the gains realized within our homebuilding business resulted in 2018 cash flow from operations of \$1.4 billion. This strong cash flow allowed the Company to end 2018 with \$1.1 billion of cash and a net debt-to-total capital of 28.2%, down from 39.4% at the end of 2017.

We also remained disciplined in our deployment of capital in 2018 and allocated available funds consistent with our stated priorities. For the year, we invested approximately \$2.6 billion into the business in the form of land acquisition and development, including a 13% increase in land acquisition spend to \$1.2 billion. We also returned approximately \$400 million to shareholders through share repurchases and dividends and increased the dividend by 22% beginning in January of 2019.

We believe that the business model we continue to successfully execute is straightforward but powerful. We seek to invest in high quality projects that we believe can generate appropriate risk-adjusted returns on invested capital. We then work to efficiently build high quality homes and deliver an outstanding customer experience. In the end, we use the resulting cash flow to invest back into the business, fund our dividend, repurchase stock and, when appropriate, pay down debt. Well executed, we believe this disciplined and balanced approach can provide better returns to our shareholders over the housing cycle.

LETTER TO THE OWNERS, CUSTOMERS, TEAM MEMBERS AND BUSINESS PARTNERS OF PULTEGROUP:

The mix of buyers we serve will change over time, but we continue to emphasize a build-to-order model in combination with tightly controlled spec production. Build-to-order allows customers to personalize their home by selecting the options and lot locations that they value, and for which they are willing to pay. We believe that our build-to-order approach to the market has been a key contributor to our higher gross margins and higher overall project returns in recent years. That being said, as the mix of first-time buyer communities increases within our business, spec production is also likely to rise proportionally as this is a common component of that business.

Finally, we continue to refine our common plan management platform as we work to build homes more efficiently and profitably. In 2018, 81% of the 23,107 homes we delivered were part of our common-plan library. In launching our common-plan platform back in 2011, we wanted to reduce the number of floorplans we offer, optimize the plans for material content and ease of construction, and then increase the throughput (unit volume) of each plan. In addition to supporting our current production capabilities, common plans can make it easier to integrate offsite manufacturing as it develops in the future.

These business-oriented strategies and tactics are important, but I would say that the people-centric initiatives we are advancing inside our organization are equally vital to the Company's success. In last year's letter, I highlighted that PulteGroup's employee engagement as measured by Gallup was in the top 5% of all companies in the world. It is extremely rewarding to report that we repeated this ranking in 2018. Not resting on our laurels, we have enhanced our employee recruiting, onboarding and training programs, and put in place new guidelines to purposefully build a more diverse and inclusive culture. Operating in an economy experiencing record low unemployment, we believe our ongoing investment in people development will continue to pay dividends.

Well Positioned for the Year Ahead

The estimated 622,000 new homes sold in the U.S. in 2018 marks the twelfth year in a row that industry-wide sales have failed to reach the 50-year average of 665,000 houses. In other words, we believe the industry continues to under build relative to the growth in population and household formations. Given such limited production, even with slower sales in the back half of 2018, government data showed less than seven months of new home inventory being available for sale heading into 2019.

In addition to a healthy supply dynamic, we see the overall operating environment as supportive of U.S. housing demand. More specifically, after rising through much of 2018, mortgage rates have fallen and comments from the Federal Reserve suggest a more measured and thoughtful approach to future rate increases.

While rates are easing, the job market remains strong with an estimated 130 million people now employed across the country and unemployment hovering near recent lows of 4%. The strong job market is also likely to result in a sustained period of wage and income growth which will allow more consumers to purchase a home and ease some of the affordability challenges which have weighed on demand.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-9804

PULTEGROUP, INC.

(Exact name of registrant as specified in its charter)

MICHIGAN

(State or other jurisdiction of
incorporation or organization)

38-2766606

(I.R.S. Employer
Identification No.)

3350 Peachtree Road NE, Suite 150
Atlanta, Georgia 30326

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (404) 978-6400

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Shares, par value \$0.01

Name of each exchange on which registered

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Act. YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated
filer

Accelerated
filer

Non-accelerated filer
[]

Smaller reporting
company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

The aggregate market value of the registrant's voting shares held by nonaffiliates of the registrant as of June 30, 2018, based on the closing sale price per share as reported by the New York Stock Exchange on such date, was \$8,132,221,388. As of January 24, 2019, the registrant had 277,142,007 shares of common shares outstanding.

Documents Incorporated by Reference

Applicable portions of the Proxy Statement for the 2019 Annual Meeting of Shareholders are incorporated by reference in Part III of this Form.

PART I

ITEM I. BUSINESS

PulteGroup, Inc.

PulteGroup, Inc. is a Michigan corporation organized in 1956. We are one of the largest homebuilders in the United States ("U.S."), and our common shares are included in the S&P 500 Index and trade on the New York Stock Exchange under the ticker symbol "PHM". Unless the context otherwise requires, the terms "PulteGroup", the "Company", "we", "us", and "our" used herein refer to PulteGroup, Inc. and its subsidiaries. While our subsidiaries engage primarily in the homebuilding business, we also have mortgage banking operations, conducted principally through Pulte Mortgage LLC ("Pulte Mortgage"), and title and insurance brokerage operations.

Homebuilding, our core business, which includes the acquisition and development of land primarily for residential purposes within the U.S. and the construction of housing on such land, generated 98% of our consolidated revenues in each of 2018, 2017, and 2016. We offer a broad product line to meet the needs of homebuyers in our targeted markets. Through our brands, which include Centex, Pulte Homes, Del Webb, DiVosta Homes, and John Wieland Homes and Neighborhoods, we offer a wide variety of home designs, including single-family detached, townhouses, condominiums, and duplexes at different prices and with varying levels of options and amenities to our major customer groups: first-time, move-up, and active adult. Over our history, we have delivered nearly 725,000 homes.

As of December 31, 2018, we conducted our operations in 44 markets located throughout 24 states. For reporting purposes, our Homebuilding operations are aggregated into six reportable segments:

Northeast:	<i>Connecticut, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Virginia</i>
Southeast:	<i>Georgia, North Carolina, South Carolina, Tennessee</i>
Florida:	<i>Florida</i>
Midwest:	<i>Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio</i>
Texas:	<i>Texas</i>
West:	<i>Arizona, California, Nevada, New Mexico, Washington</i>

We also have a reportable segment for our financial services operations, which consists principally of mortgage banking, title, and insurance brokerage operations. Our Financial Services segment operates generally in the same geographic markets as our Homebuilding segments.

Financial information for each of our reportable business segments is included in Note 3 to our Consolidated Financial Statements.

Available information

We file annual, quarterly, and current reports, proxy statements, and other information with the Securities and Exchange Commission (the "SEC"). These filings are available at the SEC's website at <http://www.sec.gov>. Our internet website address is www.pultegroupinc.com. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act are available free of charge through our website as soon as reasonably practicable after we electronically file them with or furnish them to the SEC. Our code of ethics for principal officers, our code of ethical business conduct, our corporate governance guidelines, and the charters of the Audit, Compensation and Management Development, Nominating and Governance, and Finance and Investment Committees of our Board of Directors are also posted on our website and are available in print, free of charge, upon request.

not be converted to home sales in the near term. Accordingly, we remain active in our pursuit of new land investment. We also periodically sell select parcels of land to third parties for commercial or other development or if we determine that they do not fit into our strategic operating plans.

Land is generally purchased after it is zoned and developed, or is ready for development, for our intended use. Where we develop land, we engage directly in many phases of the development process, including: land and site planning; obtaining environmental and other regulatory approvals; and constructing roads, sewers, water and drainage facilities, and community amenities, such as parks, pools, and clubhouses. We use our staff and the services of independent engineers and consultants for land development activities. Land development work is performed primarily by independent contractors and, when needed, local government authorities who construct sewer and water systems in some areas. At December 31, 2018, we controlled 149,577 lots, of which 89,530 were owned and 60,047 were under land option agreements.

Sales and marketing

We are dedicated to improving the quality and value of our homes through innovative architectural and community designs. Analyzing various qualitative and quantitative data obtained through extensive market research, we stratify our potential customers into well-defined homebuyer groups. Such stratification provides a method for understanding the business opportunities and risks across the full spectrum of consumer groups in each market. Once the needs of potential homebuyers are understood, we link our home design and community development efforts to the specific lifestyle of each consumer group. Through our understanding of each consumer group, we seek to provide homes that better meet the needs and wants of each homebuyer.

Our homes targeted to first-time homebuyers tend to be smaller with product offerings geared toward lower average selling prices or higher density. Move-up homebuyers tend to place more of a premium on location and amenities. These communities typically offer larger homes at higher price points. Through our Del Webb brand, we address the needs of active adults, to whom we offer both destination communities and “in place” communities, for homebuyers who prefer to remain in their current geographic area. Many of these active adult communities are age-restricted to the age fifty-five and over homebuyer and are highly amenitized, offering a variety of features, including golf courses, recreational centers, and educational classes, to facilitate the homebuyer maintaining an active lifestyle. In order to make the cost of these highly amenitized communities affordable to the individual homeowner, Del Webb communities tend to be larger than first-time or move-up homebuyer communities.

During 2018, 28%, 47%, and 25% of our home closings were to first-time, move-up, and active adult customers, respectively. Our sales mix has shifted slightly in recent years toward the move-up homebuyer where demand has been stronger. However, we have increased our investment in communities seeking to serve the first-time buyer and expect this buyer group to become a larger component of our sales mix in the future.

We believe that we are an innovator in home design, and we view our design capabilities as an integral aspect of our marketing strategy. Our in-house architectural services teams, supplemented by outside consultants, follow a 12-step product development process to introduce new features and technologies based on customer-validated data. Following this disciplined process results in distinctive design features, both in exterior facades and interior options and features. We typically offer a variety of house floor plans and elevations in each community, including potential options and upgrades, such as different flooring, countertop, fixture, and appliance choices, and design our base house and option packages to meet the needs of our customers as defined through rigorous market research. Energy efficiency represents an important source of value for new homes compared with existing homes and represents a key area of focus for our home designs, including high efficiency heating, ventilation, and air conditioning systems and insulation, low-emissivity windows, solar power in certain geographies, and other energy-efficient features.

We market our homes to prospective homebuyers through internet listings and link placements, mobile applications, media advertising, illustrated brochures, and other advertising displays. We have made significant enhancements in our tools and business practices to adapt our selling efforts to today's tech-enabled customers. This includes our websites (www.centex.com, www.pulte.com, www.delwebb.com, www.divosta.com, and www.jwhomes.com), which provide tools to help users find a home that meets their needs, investigate financing alternatives, communicate moving plans, maintain a home, learn more about us, and communicate directly with us.

Our sales teams consist primarily of commissioned employees, and the majority of our home closings also involve independent third party sales brokers. Our sales consultants are responsible for guiding the customer through the sales process,

Competition

The housing industry in the U.S. is fragmented and highly competitive. While we are one of the largest homebuilders in the U.S., our national market share represented only approximately 4% of U.S. new home sales in 2018. In each of our local markets, there are numerous national, regional, and local homebuilders with whom we compete. Additionally, new home sales have traditionally represented less than 15% of overall U.S. home sales (new and existing homes). Therefore, we also compete with sales of existing house inventory and any provider of for sale or rental housing units, including apartment operators. We compete primarily on the basis of location, price, quality, reputation, design, community amenities, and our customers' overall sales and homeownership experiences.

Seasonality

Although significant changes in market conditions have impacted our seasonal patterns in the past and could do so again, we historically experience variability in our quarterly results from operations due to the seasonal nature of the homebuilding industry. We generally experience increases in revenues and cash flow from operations during the fourth quarter based on the timing of home closings. This seasonal activity increases our working capital requirements in our third and fourth quarters to support our home production and loan origination volumes. As a result of the seasonality of our operations, our quarterly results of operations are not necessarily indicative of the results that may be expected for the full year.

Regulation and environmental matters

Our operations are subject to extensive regulations imposed and enforced by various federal, state, and local governing authorities. These regulations are complex and include building codes, land zoning and other entitlement restrictions, health and safety regulations, labor practices, marketing and sales practices, environmental regulations, rules and regulations relating to mortgage financing and title operations, and various other laws, rules, and regulations. Collectively, these regulations have a significant impact on the site selection and development of our communities; our house design and construction techniques; our relationships with customers, employees, suppliers, and subcontractors; and many other aspects of our business. The applicable governing authorities frequently have broad discretion in administering these regulations, including inspections of our homes prior to closing with the customer in the majority of municipalities in which we operate. Additionally, we may experience extended timelines for receiving required approvals from municipalities or other government agencies that can delay our anticipated development and construction activities in our communities.

Financial Services Operations

We conduct our financial services business, which includes mortgage banking, title, and insurance brokerage operations, through Pulte Mortgage and other subsidiaries. Pulte Mortgage arranges financing through the origination of mortgage loans primarily for the benefit of our homebuyers. We are a lender approved by the Federal Housing Administration ("FHA") and Department of Veterans Affairs ("VA") and are a seller/servicer approved by Government National Mortgage Association ("Ginnie Mae"), Federal National Mortgage Association ("Fannie Mae"), Federal Home Loan Mortgage Corporation ("Freddie Mac"), and other investors. In our conventional mortgage lending activities, we follow underwriting guidelines established by Fannie Mae, Freddie Mac, and private investors. We believe that our customers' use of our in-house mortgage and title operations provides us with a competitive advantage by enabling more control over the quality of the overall home buying process for our customers, while also helping us align the timing of the house construction process with our customers' financing needs.

Operating through a captive business model targeted to supporting our Homebuilding operations, the business levels of our Financial Services operations are highly correlated to Homebuilding. Our Homebuilding customers continue to account for substantially all of our loan production. We originated the mortgage loans of 62% of the homes we closed in 2018, 66% in 2017, 65% in 2016, 65% in 2015, and 61% in 2014. Other home closings are settled via either cash, which typically represent approximately 20% of home closings, or third party lenders.

In originating mortgage loans, we initially use our own funds, including funds available pursuant to credit agreements with third parties, and subsequently sell such mortgage loans to third party investors in the secondary market. Substantially all of the loans we originate are sold in the secondary market within a short period of time after origination, generally within 30 days. We also sell the servicing rights for the loans we originate through fixed price servicing sales contracts to reduce the risks and costs inherent in servicing loans. This strategy results in owning the loans and related servicing rights for only a short period of time.

ITEM 1A. RISK FACTORS

Discussion of our business and operations included in this annual report on Form 10-K should be read together with the risk factors set forth below. They describe various risks and uncertainties to which we are, or may become, subject. These risks and uncertainties, together with other factors described elsewhere in this report, have the potential to affect our business, financial condition, results of operations, cash flows, strategies, or prospects in a material and adverse manner.

The homebuilding industry is cyclical and a deterioration in industry conditions or downward changes in general economic or other business conditions could adversely affect our business or our financial results.

The residential homebuilding industry is sensitive to changes in economic conditions and other factors, such as the level of employment, consumer confidence, consumer income, availability of financing, and interest rate levels. Adverse changes in any of these conditions generally, or in the markets where we operate, could decrease demand and pricing for new homes in these areas or result in customer cancellations of pending contracts, which could adversely affect the number of home deliveries we make or reduce the prices we can charge for homes, either of which could result in a significant decrease in our revenues and earnings that could materially and adversely affect our financial condition.

Beginning in 2006 and continuing through 2011, the U.S. housing market was unfavorably impacted by severe weakness in new home sales attributable to, among other factors, weak consumer confidence, tightened mortgage standards, significant foreclosure activity, a more challenging appraisal environment, higher than normal unemployment levels, and significant uncertainty in the global economy. During this period, we incurred significant losses, including impairments of our land inventory and certain other assets. Since 2011, overall industry new home sales have increased, and we returned to profitability beginning in 2012. However, the recovery in housing demand has been slow by historical standards and the adjustments we have made to our operating strategy may not be successful if the current housing market were to deteriorate significantly.

Future increases in interest rates, reductions in mortgage availability, or other increases in the effective costs of owning a home could prevent potential customers from buying our homes and adversely affect our business and financial results.

A large majority of our customers finance their home purchases through mortgage loans, many through Pulte Mortgage. While mortgage interest rates in recent years have been at or near historic lows, thereby making new homes more affordable, mortgage loan interest rates have increased recently as the federal funds rate has been increased. Increases in interest rates or decreases in the availability of mortgage financing could adversely affect the market for new homes. Potential homebuyers may be less willing or able to pay the increased monthly costs resulting from higher interest rates or to obtain mortgage financing. Lenders may increase the qualifications needed for mortgages or adjust their terms to address any increased credit risk. Even if potential customers do not need financing, changes in interest rates and mortgage availability could make it harder for them to sell their current homes to potential buyers who need financing. These factors could adversely affect the sales or pricing of our homes and could also reduce the volume or margins in our financial services business. Our financial services business could also be impacted to the extent we are unable to match interest rates and amounts on loans we have committed to originate through the various hedging strategies we employ. These developments have had, and may continue to have, a material adverse effect on the overall demand for new housing and thereby on the results of operations of our business. For example, during 2018, we experienced lower than expected conversions of traffic to signups, especially among first-time and move-up buyers, beginning in May 2018 when mortgage rates increased.

The liquidity provided by Fannie Mae and Freddie Mac to the mortgage industry is also critical to the housing market. The impact of the federal government's conservatorship of Fannie Mae and Freddie Mac on the short-term and long-term demand for new housing remains unclear. Any limitations or restrictions on the availability of financing by these agencies could adversely affect interest rates, mortgage financing, and our sales of new homes and mortgage loans. Additionally, the availability of FHA and VA mortgage financing is an important factor in marketing some of our homes.

Mortgage interest expense and real estate taxes represent significant costs of homeownership, both of which were historically generally deductible for an individual's federal and, in some cases, state income taxes. On December 22, 2017, a law commonly known as the Tax Cuts and Jobs Act (the "Tax Act") was enacted. While the Tax Act lowers the tax rates applicable to many businesses and individuals, it also, among other things, (i) limits the federal deduction for mortgage interest so that it only applies to the first \$750,000 of a new mortgage (as compared to \$1 million under previous tax law), (ii) introduces a \$10,000 cap on the federal deduction for state and local taxes, including real estate taxes, and (iii) eliminates the federal deduction for interest on certain home equity loans. The Tax Act also increased the standard deduction for individuals. As a result, fewer individuals are expected to itemize their income tax deductions, which would mitigate the income tax advantages associated with homeownership for those individuals. The combination of these changes could reduce home

We are subject to claims related to mortgage loans we sold in the secondary mortgage market that may be significant.

Our mortgage operations may be responsible for losses arising out of claims associated with mortgage loans originated and sold to investors in the event of errors or omissions relating to certain representations and warranties made by us that the loans met certain requirements, including representations as to underwriting standards, the type of collateral, the existence of primary mortgage insurance, and the validity of certain borrower representations in connection with the loan. To date, the significant majority of these claims made by investors against our mortgage operations relate to loans originated prior to 2009, during which inherently riskier loan products became more common in the origination market. We may also be required to indemnify underwriters that purchased and securitized loans originated by a former subsidiary of Centex Corporation ("Centex"), which we acquired in 2009, for losses incurred by investors in those securitized loans based on similar breaches of representations and warranties. As of December 31, 2018, our mortgage subsidiaries were defendants in legal proceedings in which the plaintiffs are seeking indemnification for alleged breaches of representations and warranties made by the mortgage subsidiaries in the mortgage loan sale agreements and may also be subject to other similar claims for which legal proceedings had not been instituted as of December 31, 2018.

The resolution of claims related to alleged breaches of these representations and warranties and repurchase claims could have a material adverse effect on our financial condition, cash flows and results of operations. Given the unsettled litigation, changes in values of underlying collateral over time, and other uncertainties regarding the ultimate resolution of these claims, actual costs could differ from our current estimates. Accordingly, there can be no assurance that such reserves will not need to be increased in the future.

Products supplied to us and work done by subcontractors can expose us to risks that could adversely affect our business.

We rely on subcontractors to perform the actual construction of our homes and, in some cases, to select and obtain building materials. Despite our detailed specifications and quality control procedures, in some cases, subcontractors may use improper construction processes or defective materials. Defective products widely used by the homebuilding industry can result in the need to perform extensive repairs to large numbers of homes. The cost of complying with our warranty obligations may be significant if we are unable to recover the cost of repairs from subcontractors, materials suppliers, and insurers.

We also can suffer damage to our reputation, and may be exposed to possible liability, if subcontractors fail to comply with applicable laws, including laws involving actions or matters that are not within our control. When we learn about possibly improper practices by subcontractors, we attempt to cause the subcontractors to discontinue them and may terminate the use of such subcontractors. However, attempts at mitigation may not avoid claims against us relating to actions of or matters relating to our subcontractors.

Adverse capital and credit market conditions may significantly affect our access to capital and cost of capital.

The capital and credit markets can experience significant volatility. We may need credit-related liquidity for the future development of our business and other capital needs. Without sufficient liquidity, we may not be able to purchase additional land or develop land, which could adversely affect our financial results. At December 31, 2018, we had cash, cash equivalents, and restricted cash of \$1.1 billion as well as \$760.6 million available under our revolving credit facility, net of outstanding letters of credit. However, our internal sources of liquidity and revolving credit facility may prove to be insufficient, and, in such case, we may not be able to successfully obtain additional financing on terms acceptable to us, or at all.

Another source of liquidity includes our ability to use letters of credit and surety bonds relating to certain performance-related obligations and as security for certain land option agreements and insurance programs. The majority of these letters of credit and surety bonds are in support of our land development and construction obligations to various municipalities, other government agencies, and utility companies related to the construction of roads, sewers, and other infrastructure. At December 31, 2018, we had outstanding letters of credit and surety bonds totaling \$239.4 million and \$1.3 billion, respectively. These letters of credit are generally issued via our unsecured revolving credit facility, which contains certain financial covenants and other limitations. If we are unable to obtain letters of credit or surety bonds when required, or the conditions imposed by issuers increase significantly, our liquidity could be adversely affected.

Our ability to utilize net operating losses (“NOLs”), built-in losses (“BILs”), and tax credit carryforwards to offset our future taxable income or income tax would be limited if we were to undergo an “ownership change” within the meaning of Section 382 of the Internal Revenue Code (the “IRC”). In general, an “ownership change” occurs whenever the percentage of the stock of a corporation owned by “5-percent shareholders” (within the meaning of Section 382 of the IRC) increases by more than 50 percentage points over the lowest percentage of the stock of such corporation owned by such “5-percent shareholders” at any time over the testing period.

An ownership change under Section 382 of the IRC would establish an annual limitation to the amount of NOLs, BILs, and tax credit carryforwards we could utilize to offset our taxable income or income tax in any single year. The application of these limitations might prevent full utilization of the deferred tax assets attributable to our NOLs, BILs, and tax credit carryforwards. To preserve our ability to utilize NOLs, BILs, and other tax benefits in the future without a Section 382 limitation, we adopted a shareholder rights plan, which is triggered upon certain transfers of our securities, and amended our by-laws to prohibit certain transfers of our securities. Our shareholder rights plan, as amended, expires June 1, 2019, unless our board of directors and shareholders approve an amendment to extend the term prior thereto. Notwithstanding the foregoing measures, there can be no assurance that we will not undergo an ownership change within the meaning of Section 382.

Our ability to use certain of Centex's federal losses and credits is limited under Section 382 of the IRC. We do not believe that the Section 382 limitations will prevent us from utilizing these Centex losses and credits. We do believe that full utilization of certain state NOL carryforwards will be limited due to Section 382.

The value of our deferred tax assets is also dependent upon the tax rates expected to be in effect at the time taxable income is expected to be generated. A decrease in enacted corporate tax rates in our major jurisdictions, especially the U.S. federal corporate tax rate, would decrease the value of our deferred tax assets, which could be material.

We have significant intangible assets. If these assets become impaired, then our profits and shareholders' equity may be reduced.

We have significant intangible assets related to business combinations. If the carrying value of intangible assets is deemed impaired, the carrying value is written down to fair value. This would result in a charge to our earnings. If management's expectations of future results and cash flows decrease significantly, impairments of the remaining intangible assets may occur.

Government regulations could increase the cost and limit the availability of our development and homebuilding projects or affect our related financial services operations and adversely affect our business or financial results.

Our operations are subject to building, safety, environmental, and other regulations imposed and enforced by various federal, state, and local governing authorities. New housing developments may also be subject to various assessments for schools, parks, streets, and other public improvements. These assessments have increased over recent years as other funding mechanisms have decreased causing local governing authorities to seek greater contributions from homebuilders. All of these factors can cause an increase in the effective cost of our homes.

We also are subject to a variety of local, state, and federal laws and regulations concerning protection of health, safety, and the environment. The impact of environmental laws varies depending upon the prior uses of the building site or adjoining properties and may be greater in areas with less supply where undeveloped land or desirable alternatives are less available. These matters may result in delays, may cause us to incur substantial compliance, remediation and other costs, and can prohibit or severely restrict development and homebuilding activity in environmentally sensitive regions or areas. More stringent requirements could be imposed in the future on homebuilders and developers, thereby increasing the cost of compliance.

Our financial services operations are also subject to numerous federal, state, and local laws and regulations. These include eligibility requirements for participation in federal loan programs and compliance with consumer lending and similar requirements such as disclosure requirements, prohibitions against discrimination, and real estate settlement procedures. They also subject our operations to examination by applicable agencies, pursuant to which those agencies may limit our ability to provide mortgage financing or title services to potential purchasers of our homes. For our homes to qualify for FHA or VA mortgages, we must satisfy valuation standards and site, material, and construction requirements of those agencies.

communications systems, we could suffer extended interruptions in our operations or unintentionally allow misappropriation of proprietary or confidential information (including information about our employees, homebuyers and business partners). Any such disruption could damage our reputation, result in market value declines, lead to legal proceedings against us by affected third parties resulting in penalties or fines, and require us to incur significant costs to remediate or otherwise resolve these issues.

We can be injured by improper acts of persons over whom we do not have control or by the attempt to impose liabilities or obligations of third parties on us.

Although we expect all of our employees, officers, and directors to comply at all times with all applicable laws, rules, and regulations, there may be instances in which subcontractors or others through whom we do business engage in practices that do not comply with applicable laws, regulations, or governmental guidelines. When we learn of practices that do not comply with applicable laws or regulations, including practices relating to homes, buildings, or multifamily rental properties we build or finance, we move actively to stop the non-complying practices as soon as possible, and we have taken disciplinary action regarding employees of ours who were aware of non-complying practices and did not take steps to address them, including in some instances terminating their employment. However, regardless of the steps we take after we learn of practices that do not comply with applicable laws or regulations, we can in some instances be subject to fines or other governmental penalties, and our reputation can be injured, due to the practices' having taken place.

The homes we sell are built by employees of subcontractors and other contract parties. We do not have the ability to control what these contract parties pay their employees or subcontractors or the work rules they impose on their employees or subcontractors. However, various governmental agencies are trying to hold contract parties like us responsible for violations of wage and hour laws and other work-related laws by firms whose employees are performing contracted services. Governmental rulings or changes in state or local laws that make us responsible for labor practices by our subcontractors could create substantial exposures for us in situations that are not within our control.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our homebuilding and corporate headquarters are located in leased office facilities at 3350 Peachtree Road NE, Suite 150, Atlanta, Georgia 30326. Pulte Mortgage leases its primary office facilities in Englewood, Colorado. We also maintain various support functions in leased facilities in Tempe, Arizona. Our homebuilding divisions and financial services branches lease office space in the geographic locations in which they conduct their daily operations.

Because of the nature of our homebuilding operations, significant amounts of property are held as inventory in the ordinary course. Such properties are not included in response to this Item.

ITEM 3. LEGAL PROCEEDINGS

We are involved in various legal and governmental proceedings incidental to our continuing business operations, many involving claims related to certain construction defects. The consequences of these matters are not presently determinable but, in our opinion, after consulting with legal counsel and taking into account insurance and reserves, the ultimate liability is not expected to have a material adverse impact on our results of operations, financial position, or cash flows. However, to the extent the liability arising from the ultimate resolution of any matter exceeds our estimates reflected in the recorded reserves relating to such matter, we could incur additional charges that could be significant.

ITEM 4. MINE SAFETY DISCLOSURES

This Item is not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common shares are listed on the New York Stock Exchange (Symbol: PHM). At January 24, 2019, there were 2,248 shareholders of record.

Issuer Purchases of Equity Securities

	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs (\$000's omitted)
October 1, 2018 to October 31, 2018	2,431,879	\$ 23.22	2,410,261	\$ 366,446 (1)
November 1, 2018 to November 30, 2018	2,308,628	24.72	2,308,628	\$ 309,381 (1)
December 1, 2018 to December 31, 2018	358,596	26.49	358,596	\$ 299,882 (1)
Total	5,099,103	\$ 24.13	5,077,485	

- (1) The Board of Directors approved a share repurchase authorization totaling \$1.0 billion in July 2016 and an increase of \$500.0 million to such authorization in January 2018. There is no expiration date for this program, under which \$299.9 million remained available as of December 31, 2018. During 2018, we repurchased 10.9 million shares under this program.

The information required by this item with respect to equity compensation plans is set forth under Item 12 of this annual report on Form 10-K and is incorporated herein by reference.

ITEM 6. SELECTED FINANCIAL DATA

Set forth below is selected consolidated financial data for each of the past five fiscal years. The selected financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our Consolidated Financial Statements and Notes thereto included elsewhere in this report.

	Years Ended December 31, (000's omitted, except per share data)				
	2018	2017	2016	2015	2014
OPERATING DATA:					
Homebuilding:					
Revenues	\$ 9,982,949	\$ 8,385,526	\$ 7,495,404	\$ 5,844,658	\$ 5,700,338
Income before income taxes	\$ 1,288,804	\$ 865,332	\$ 860,766	\$ 757,317	\$ 635,177
Financial Services:					
Revenues	\$ 205,382	\$ 192,160	\$ 181,126	\$ 140,445	\$ 125,638
Income before income taxes	\$ 58,736	\$ 73,496	\$ 73,084	\$ 58,706	\$ 54,581
Consolidated results:					
Revenues	\$10,188,331	\$ 8,577,686	\$ 7,676,530	\$ 5,985,103	\$ 5,825,977
Income before income taxes	\$ 1,347,540	\$ 938,828	\$ 933,850	\$ 816,023	\$ 689,758
Income tax (expense) benefit	(325,517)	(491,607)	(331,147)	(321,933)	(215,420)
Net income	\$ 1,022,023	\$ 447,221	\$ 602,703	\$ 494,090	\$ 474,338
PER SHARE DATA:					
Net income per share:					
Basic	\$ 3.56	\$ 1.45	\$ 1.76	\$ 1.38	\$ 1.27
Diluted	\$ 3.55	\$ 1.44	\$ 1.75	\$ 1.36	\$ 1.26
Number of shares used in calculation:					
Basic	283,578	305,089	339,747	356,576	370,377
Effect of dilutive securities	1,287	1,725	2,376	3,217	3,725
Diluted	284,865	306,814	342,123	359,793	374,102
Shareholders' equity	\$ 17.39	\$ 14.60	\$ 13.63	\$ 13.63	\$ 13.01
Cash dividends declared	\$ 0.38	\$ 0.36	\$ 0.36	\$ 0.33	\$ 0.23

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Favorable demographic and economic conditions, combined with historically low interest rates, have supported the recovery in U.S. new home sales that began in 2012. During this period, we have made significant investments to acquire and develop land inventory and open new communities, including opening approximately 250 new communities across our local markets in each of the last three years. We have grown our investment in the business in a disciplined manner by emphasizing smaller projects and working to shorten our years of owned land supply, including increasing the use of land option agreements, which now account for 40% of our controlled lots as compared with 11% at the beginning of 2012. We have also focused our land investments on closer-in locations where we think demand is more sustainable when the market ultimately moderates. We have accepted the trade-off of having to pay more for certain land positions where we can be more confident in future performance. The combination of favorable demand conditions, our investments in new communities, and our focus on gross margin performance through community location, strategic pricing, and construction efficiencies resulted in growth in our revenues and income before income taxes each year during the period from 2012 to 2018.

We entered 2018 with a large backlog of new orders, and demand conditions remained favorable through the early part of 2018, as evidenced by continued growth in new orders during the traditional spring selling season. However, this was followed by an industry-wide softening in demand that began in the second quarter of 2018. To varying degrees, the slowdown has occurred across all major buyer groups and all of our geographies. This slowdown was closely correlated with the rise in mortgage interest rates that began in May 2018, however, we believe that the broader cause is the affordability challenge that many prospective buyers continue to face, which has created uncertainty in the industry regarding short-term demand. However, many of the fundamentals supporting continued growth in demand, including: a strong employment picture in the U.S.; high consumer confidence; a supportive, though slightly higher, interest rate environment; and a limited supply of new and existing homes, remain favorable.

We believe that the actions we have taken over the past few years to shorten the duration of our land inventory, increase our use of land option agreements, and drive higher margins while maintaining a conservative financial position allow us to operate effectively in most economic conditions. Additionally, our overall financial condition continues to support investing in the business while returning excess capital to shareholders. If demand conditions accelerate, we have the communities and lots available to meet that demand.

Homebuilding Operations

The following is a summary of income before income taxes for our Homebuilding operations (\$000's omitted):

Years Ended December 31,

	2018	FY 2018 vs. FY 2017	2017	FY 2017 vs. FY 2016	2016
Home sale revenues	\$ 9,818,445	18 %	\$ 8,323,984	12 %	\$ 7,451,315
Land sale and other revenues (a) (c)	164,504	167 %	61,542	40 %	44,089
Total Homebuilding revenues	9,982,949	19 %	8,385,526	12 %	7,495,404
Home sale cost of revenues (b)	(7,540,937)	17 %	(6,461,152)	16 %	(5,587,974)
Land sale cost of revenues (a)	(126,560)	(6)%	(134,449)	319 %	(32,115)
Selling, general, and administrative expenses ("SG&A") (d)	(1,012,023)	14 %	(891,581)	(7)%	(957,150)
Other expense, net (e)	(14,625)	(56)%	(33,012)	(42)%	(57,399)
Income before income taxes	\$ 1,288,804	49 %	\$ 865,332	1 %	\$ 860,766

Supplemental data:

Gross margin from home sales (b)	23.2%	80 bps	22.4%	(260) bps	25.0%
SG&A % of home sale revenues (d)	10.3%	(40) bps	10.7%	(210) bps	12.8%
Closings (units)	23,107	10 %	21,052	6 %	19,951
Average selling price	\$ 425	8 %	\$ 395	6 %	\$ 373

Net new orders (f):

Units	22,833	1 %	22,626	11 %	20,326
Dollars	\$ 9,675,529	3 %	\$ 9,361,534	21 %	\$ 7,753,399
Cancellation rate	14%		14%		15%
Active communities at December 31	815	3 %	790	9 %	726

Backlog at December 31:

Units	8,722	(3)%	8,996	21 %	7,422
Dollars	\$ 3,836,147	(4)%	\$ 3,979,064	35 %	\$ 2,941,512

- (a) Includes net gains of \$26.4 million related to two land sale transactions in California during the year ended December 31, 2018 (see Note 3).
- (b) Includes the amortization of capitalized interest; land inventory impairments of \$71.0 million in 2018, \$89.0 million in 2017, and \$1.1 million in 2016 (see Note 2); and a warranty charge of \$12.4 million related to a closed-out community in 2017 (see Note 11).
- (c) Includes net realizable value adjustments on land held for sale of \$11.5 million, \$83.6 million, and \$1.1 million in 2018, 2017, and 2016, respectively (see Note 2).
- (d) Includes write-offs of \$29.6 million of insurance receivables associated with the resolution of certain insurance matters in 2017 (see Note 11); insurance reserve reversals of \$35.9 million, \$97.8 million and \$57.1 million in 2018, 2017, and 2016, respectively (see Note 11); and restructuring costs from corporate office relocation and other actions of \$10.0 million in 2016.
- (e) See "Other expense, net" for a table summarizing significant items.
- (f) Net new orders excludes backlog acquired from Wieland in January 2016 (see Note 1). Net new order dollars represent a composite of new order dollars combined with other movements of the dollars in backlog related to cancellations and change orders.

Other expense, net

Other expense, net includes the following (\$000's omitted):

	2018	2017	2016
Write-offs of deposits and pre-acquisition costs (Note 2)	\$ (16,992)	\$ (11,367)	\$ (17,157)
Lease exit and related costs (a)	(240)	(1,729)	(11,643)
Amortization of intangible assets (Note 1)	(13,800)	(13,800)	(13,800)
Interest income	7,593	2,537	3,236
Interest expense	(618)	(503)	(686)
Equity in earnings (loss) of unconsolidated entities (Note 4) (b)	2,690	(1,985)	8,337
Miscellaneous, net (c)	6,742	(6,165)	(25,686)
Total other expense, net	<u>\$ (14,625)</u>	<u>\$ (33,012)</u>	<u>\$ (57,399)</u>

- (a) Lease exit and related costs for 2016 resulted from actions taken to reduce overheads and the substantial completion of our corporate headquarters relocation from Michigan to Georgia, which began in 2013.
- (b) Includes an \$8.0 million impairment of an investment in an unconsolidated entity in 2017 (see Note 2).
- (c) Miscellaneous, net includes a charge of \$15.0 million in 2016 related to the settlement of a disputed land transaction (see Note 11).

Net new orders

Net new orders in units increased 1% in 2018 compared with 2017. The increase resulted primarily from the higher number of active communities, which increased 3% to 815 at December 31, 2018. Net new orders in dollars increased by 3% compared with 2017 due to the growth in units combined with the higher average selling price. The cancellation rate (canceled orders for the period divided by gross new orders for the period) remained stable in 2018 at 14%. Ending backlog units, which represent orders for homes that have not yet closed, decreased 3% as measured in units and 4% as measured in dollars at December 31, 2018 compared with December 31, 2017. The higher average sales price when compared to 2017 also contributed to the higher backlog dollars. Our higher number of active communities combined with the overall demand environment resulted in a strong start to the year. However, while customer traffic to our communities increased during 2018, we experienced lower than expected conversions of traffic to signups, especially among first-time and move-up buyers, beginning in May 2018 when mortgage rates increased, which compounded existing housing affordability issues faced by many homebuyers.

Net new orders in units increased 11% in 2017 compared with 2016. The increase resulted primarily from the higher number of active communities, which increased 9% to 790 active communities at December 31, 2017. Net new orders in dollars increased by 21% compared with 2016 due to the growth in units combined with the higher average selling price. The cancellation rate (canceled orders for the period divided by gross new orders for the period) decreased in 2017 from 2016 at 14% and 15%, respectively. Ending backlog units, which represent orders for homes that have not yet closed, increased 21% at December 31, 2017 compared with December 31, 2016 as measured in units and increased 35% over the prior year period as measured in dollars. The higher average sales price when compared to 2016 also contributed to the higher backlog dollars.

Homes in production

The following is a summary of our homes in production at December 31, 2018 and 2017:

	2018	2017
Sold	6,245	6,246
Unsold		
Under construction	2,531	1,973
Completed	715	637
	<u>3,246</u>	<u>2,610</u>
Models	1,216	1,148
Total	<u>10,707</u>	<u>10,004</u>

The following table presents selected financial information for our reportable Homebuilding segments:

Operating Data by Segment (\$000's omitted)					
Years Ended December 31,					
	2018	FY 2018 vs. FY 2017	2017	FY 2017 vs. FY 2016	2016
Home sale revenues:					
Northeast	\$ 795,211	15 %	\$ 693,624	— %	\$ 696,003
Southeast	1,740,239	12 %	1,556,615	5 %	1,485,809
Florida	1,911,537	30 %	1,469,005	15 %	1,274,237
Midwest	1,492,572	4 %	1,435,692	16 %	1,233,110
Texas	1,296,183	11 %	1,166,843	13 %	1,033,387
West	2,582,703	29 %	2,002,205	16 %	1,728,769
	<u>\$ 9,818,445</u>	<u>18 %</u>	<u>\$ 8,323,984</u>	<u>12 %</u>	<u>\$ 7,451,315</u>
Income before income taxes (a):					
Northeast (b)	\$ 29,629	40 %	\$ 21,190	(74)%	\$ 81,991
Southeast	202,639	65 %	122,532	(16)%	145,011
Florida (c)	289,418	39 %	208,825	2 %	205,049
Midwest	179,568	1 %	178,231	48 %	120,159
Texas	193,946	6 %	182,862	20 %	152,355
West (d)	511,828	123 %	229,504	2 %	225,771
Other homebuilding (e)	(118,224)	(52)%	(77,812)	(12)%	(69,570)
	<u>\$ 1,288,804</u>	<u>49 %</u>	<u>\$ 865,332</u>	<u>1 %</u>	<u>\$ 860,766</u>
Closings (units):					
Northeast	1,558	17 %	1,335	(6)%	1,418
Southeast	4,220	9 %	3,888	— %	3,901
Florida	4,771	24 %	3,861	12 %	3,441
Midwest	3,716	1 %	3,696	8 %	3,418
Texas	4,212	3 %	4,107	10 %	3,726
West	4,630	11 %	4,165	3 %	4,047
	<u>23,107</u>	<u>10 %</u>	<u>\$ 21,052</u>	<u>6 %</u>	<u>19,951</u>
Average selling price:					
Northeast	\$ 510	(2)%	\$ 520	6 %	\$ 491
Southeast	412	3 %	400	5 %	381
Florida	401	6 %	380	3 %	370
Midwest	402	3 %	388	8 %	361
Texas	308	8 %	284	2 %	277
West	558	16 %	481	13 %	427
	<u>\$ 425</u>	<u>8 %</u>	<u>\$ 395</u>	<u>6 %</u>	<u>\$ 373</u>

- (a) Includes land-related charges as summarized in the following land-related charges table (see [Note 2](#)).
- (b) Northeast includes a charge of \$15.0 million in 2016 related to the settlement of a disputed land transaction (see [Note 11](#)).
- (c) Florida includes a warranty charge of \$12.4 million in 2017 related to a closed-out community (see [Note 11](#)).
- (d) Includes gains of \$26.4 million related to two land sale transactions in California in 2018.
- (e) Other homebuilding includes the amortization of intangible assets, amortization of capitalized interest, and other items not allocated to the operating segments. Also includes: write-off of \$29.6 million of insurance receivables associated with the resolution of certain insurance matters in 2017; insurance reserve reversals of \$35.9 million, \$97.8 million and \$57.1 million in 2018, 2017, and 2016, respectively (see [Note 11](#)); and costs associated with the relocation of our corporate headquarters totaling \$8.3 million in 2016.

The following table presents additional selected financial information for our reportable Homebuilding segments:

Operating Data by Segment (\$000's omitted)			
Years Ended December 31,			
	2018	2017	2016
Land-related charges*:			
Northeast	\$ 74,488	\$ 51,362	\$ 2,079
Southeast	8,140	55,689	3,089
Florida	1,166	9,702	715
Midwest	7,361	8,917	3,383
Texas	1,204	2,521	515
West	5,159	56,995	8,960
Other homebuilding	1,928	6,726	595
	<u>\$ 99,446</u>	<u>\$ 191,912</u>	<u>\$ 19,336</u>

* Land-related charges include land impairments, net realizable value adjustments for land held for sale, and write-offs of deposits and pre-acquisition costs. Other homebuilding consists primarily of write-offs of capitalized interest resulting from land-related charges. See Notes 2 and 3 to the Consolidated Financial Statements for additional discussion of these charges.

Northeast:

The length and complexity of the entitlement process in the Northeast had led to a lack of growth in volumes in recent years, which changed in 2018 with progress in a number of communities. For 2018, Northeast home sale revenues increased 15% compared with 2017 due to a 17% increase in closings, partially offset by a 2% decrease in average selling price. The higher revenues occurred across the majority of markets, which was partially offset by our exit of the St. Louis market in 2018. The increased income before income taxes resulted from the higher revenues, partially offset by higher land-related charges and increased overhead expense. Net new orders increased slightly.

For 2017, Northeast home sale revenues remained flat compared with 2016 due to a 6% decrease in closings offset by a 6% increase in average selling price. The decrease in closings occurred in the New England and Mid-Atlantic markets, while the increase in average selling price occurred across all markets. The New England closings decrease was driven primarily by closings delayed as the result of a fire in an attached product building that was under construction. The decreased income before income taxes resulted from lower margins and increased SG&A expense across all markets, combined with the aforementioned land-related charges recognized in the period (see Note 2). Net new orders increased across all markets.

Southeast:

For 2018, Southeast home sale revenues increased 12% compared with 2017 due to a 3% increase in the average selling price combined with a 9% increase in closings. The increase in the average selling price occurred across all markets except Georgia, while closings increased in Raleigh, Charlotte and Coastal Carolinas. Income before income taxes increased primarily as a result of higher revenues and reduced land-related charges in 2018. Net new orders decreased 3%, attributable to a majority of markets.

For 2017, Southeast home sale revenues increased 5% compared with 2016 due to a 5% increase in the average selling price. The increases in the average selling price occurred across all markets except Georgia, while closings decreased in Raleigh, Charlotte and Coastal Carolinas, offset by increases in Georgia and Tennessee. Income before income taxes decreased 16% primarily due to the aforementioned land-related charges, partially offset by lower SG&A expense. Net new orders increased 11%, primarily in Georgia and Raleigh.

Financial Services Operations

We conduct our Financial Services operations, which include mortgage banking, title, and insurance brokerage operations, through Pulte Mortgage and other subsidiaries. In originating mortgage loans, we initially use our own funds, including funds available pursuant to credit agreements with third parties. Substantially all of the loans we originate are sold in the secondary market within a short period of time after origination, generally within 30 days. We also sell the servicing rights for the loans we originate through fixed price servicing sales contracts to reduce the risks and costs inherent in servicing loans. This strategy results in owning the loans and related servicing rights for only a short period of time. Operating as a captive business model primarily targeted to supporting our Homebuilding operations, the business levels of our Financial Services operations are highly correlated to Homebuilding. Our Homebuilding customers continue to account for substantially all loan production. We believe that our capture rate, which represents loan originations from our Homebuilding operations as a percentage of total loan opportunities from our Homebuilding operations, excluding cash closings, is an important metric in evaluating the effectiveness of our captive mortgage business model. The following table presents selected financial information for our Financial Services operations (\$000's omitted):

	Years Ended December 31,				
	2018	FY 2018 vs. FY 2017	2017	FY 2017 vs. FY 2016	2016
Mortgage operations revenues	\$ 149,642	2 %	\$ 146,358	3%	\$ 142,262
Title and insurance brokerage revenues	55,740	22 %	45,802	18%	38,864
Total Financial Services revenues	205,382	7 %	192,160	6%	181,126
Expenses	(147,422)	24 %	(119,289)	10%	(108,573)
Other income, net	776	24 %	625	18%	531
Income before income taxes	\$ 58,736	(20)%	\$ 73,496	1%	\$ 73,084
<u>Total originations:</u>					
Loans	14,464	2 %	14,152	6%	13,373
Principal	\$ 4,456,360	8 %	\$ 4,127,084	11%	\$ 3,706,745

	Years Ended December 31,		
	2018	2017	2016
<u>Supplemental data:</u>			
Capture rate	76.2%	79.9%	81.2%
Average FICO score	752	749	750
Loan application backlog	\$ 2,012,340	\$ 2,263,803	\$ 1,670,160
<u>Funded origination breakdown:</u>			
Government (FHA, VA, USDA)	20%	22%	23%
Other agency	68%	70%	70%
Total agency	88%	92%	93%
Non-agency	12%	8%	7%
Total funded originations	100%	100%	100%

Revenues

Total Financial Services revenues during 2018 increased 7% compared with 2017. The increase is primarily due to higher loan origination, title, and insurance brokerage volume resulting from higher volumes in the Homebuilding segment. A higher average loan size, driven primarily by higher average selling prices in the Homebuilding segment, also contributed to the higher revenues. These factors were partially offset by the lower capture rate resulting from a more competitive market environment. Total Financial Services revenues during 2017 increased 6% compared with 2016 due to higher mortgage and title volumes resulting from increased home closings in the Homebuilding segment, partially offset by lower mortgage revenue per loan, which were largely attributable to increased competition and pressured loan pricing.

therein. We had no borrowings outstanding and \$239.4 million and \$235.5 million of letters of credit issued under the Revolving Credit Facility at December 31, 2018 and 2017, respectively.

The Revolving Credit Facility contains financial covenants that require us to maintain a minimum Tangible Net Worth, a minimum Interest Coverage Ratio, and a maximum Debt-to-Capitalization Ratio (as each term is defined in the Revolving Credit Facility). As of December 31, 2018, we were in compliance with all covenants. Outstanding balances under the Revolving Credit Facility are guaranteed by certain of our wholly-owned subsidiaries. Our available and unused borrowings under the Revolving Credit Facility, net of outstanding letters of credit, amounted to \$760.6 million and \$764.5 million as of December 31, 2018 and 2017, respectively.

Other notes payable

Certain of our local homebuilding operations are party to non-recourse and limited recourse collateralized notes payable with third parties that totaled \$41.3 million at December 31, 2018. These notes have maturities ranging up to three years, are secured by the applicable land positions to which they relate, have no recourse to any other assets, and are classified within notes payable.

Pulte Mortgage

Pulte Mortgage provides mortgage financing for the majority of our home closings by utilizing its own funds and funds made available pursuant to credit agreements with third parties. Pulte Mortgage uses these resources to finance its lending activities until the loans are sold in the secondary market, which generally occurs within 30 days.

Pulte Mortgage maintains a master repurchase agreement with third party lenders. In August 2018, Pulte Mortgage entered into an amended and restated repurchase agreement (the "Repurchase Agreement") that extended the termination date to August 2019. The maximum aggregate commitment was \$520.0 million during the seasonally high borrowing period from December 26, 2018 through January 14, 2019. At all other times, the maximum aggregate commitment ranges from \$240.0 million to \$400.0 million. The purpose of the changes in capacity during the term of the agreement is to lower associated fees during seasonally lower volume periods of mortgage origination activity. Borrowings under the Repurchase Agreement are secured by residential mortgage loans available-for-sale. The Repurchase Agreement contains various affirmative and negative covenants applicable to Pulte Mortgage, including quantitative thresholds related to net worth, net income, and liquidity. Pulte Mortgage had \$348.4 million and \$437.8 million outstanding under the Repurchase Agreement at December 31, 2018, and 2017, respectively, and was in compliance with its covenants and requirements as of such dates.

Share repurchase program

In 2013, our Board of Directors authorized and announced a share repurchase program, which was subsequently increased by \$1.0 billion in July 2016 and by \$500.0 million in January 2018. We repurchased 10.9 million, 35.4 million, and 30.9 million shares in 2018, 2017, and 2016, respectively, for a total of \$294.6 million, \$910.3 million, and \$600.0 million in 2018, 2017, and 2016, respectively, under this program. At December 31, 2018, we had remaining authorization to repurchase \$299.9 million of common shares.

Dividends

Our declared quarterly cash dividends totaled \$108.5 million, \$110.0 million, and \$122.2 million in 2018, 2017, and 2016, respectively.

Cash flows

Operating activities

Our net cash provided by operating activities in 2018 was \$1.4 billion, compared with net cash provided by operating activities of \$663.1 million and \$68.3 million in 2017 and 2016, respectively. Generally, the primary drivers of our cash flow from operations are profitability and changes in inventory levels and residential mortgage loans available-for-sale. Our positive cash flow from operations for 2018 was primarily due to our net income of \$1.0 billion, which included non-cash land-related charges of \$99.4 million and \$362.8 million of deferred income tax expense, supplemented by a \$107.3 million reduction in residential mortgage loans available-for-sale. These factors were partially offset by a net increase in inventories of \$50.4 million resulting from higher levels of spec inventory.

Contractual Obligations and Commercial Commitments

The following table summarizes our payments under contractual obligations as of December 31, 2018:

	Payments Due by Period (\$000's omitted)				
	Total	2019	2020-2021	2022-2023	After 2023
Contractual obligations:					
Notes payable (a)	\$ 4,582,517	\$ 191,379	\$ 1,034,534	\$ 271,250	\$ 3,085,354
Operating lease obligations	113,496	24,806	35,553	27,269	25,868
Total contractual obligations (b)	<u>\$ 4,696,013</u>	<u>\$ 216,185</u>	<u>\$ 1,070,087</u>	<u>\$ 298,519</u>	<u>\$ 3,111,222</u>

- (a) Represents principal and interest payments related to our senior notes and limited recourse collateralized financing arrangements.
- (b) We do not have any payments due in connection with capital lease or long-term purchase obligations.

We are subject to certain obligations associated with entering into contracts (including land option contracts) for the purchase, development, and sale of real estate in the routine conduct of our business. Option contracts for the purchase of land enable us to defer acquiring portions of properties owned by third parties and unconsolidated entities until we have determined whether to exercise our option, which may serve to reduce our financial risks associated with long-term land holdings. At December 31, 2018, we had \$218.6 million of deposits and pre-acquisition costs, of which \$11.2 million is refundable, relating to option agreements to acquire 60,047 lots with a remaining purchase price of \$2.6 billion. We expect to acquire the majority of such land within the next three years.

We are currently under examination by various taxing jurisdictions and anticipate finalizing the examinations with certain jurisdictions within the next twelve months. The final outcome of these examinations is not yet determinable. The statute of limitations for our major tax jurisdictions remains open for examination for tax years January 1, 2005 - January 1, 2018. At December 31, 2018, we had \$30.6 million of gross unrecognized tax benefits and \$5.8 million of related accrued interest and penalties.

The following table summarizes our other commercial commitments as of December 31, 2018:

	Amount of Commitment Expiration by Period (\$000's omitted)				
	Total	2019	2020-2021	2022-2023	After 2023
Other commercial commitments:					
Guarantor credit facilities (a)	\$ 1,000,000	\$ —	\$ —	\$ 1,000,000	\$ —
Non-guarantor credit facilities (b)	520,000	520,000	—	—	—
Total commercial commitments (c)	<u>\$ 1,520,000</u>	<u>\$ 520,000</u>	<u>\$ —</u>	<u>\$ 1,000,000</u>	<u>\$ —</u>

- (a) The \$1.0 billion in 2022-2023 represents the capacity of our unsecured revolving credit facility, under which no borrowings were outstanding, and \$239.4 million of letters of credit were issued at December 31, 2018.
- (b) Represents the capacity of the Repurchase Agreement, of which \$348.4 million was outstanding at December 31, 2018. The capacity of \$520.0 million was effective through January 14, 2019 after which it ranges from \$240.0 million to \$400.0 million until its expiration in August 2019.
- (c) The above table excludes an aggregate \$1.3 billion of surety bonds, which typically do not have stated expiration dates.

Off-Balance Sheet Arrangements

We use letters of credit and surety bonds to guarantee our performance under various contracts, principally in connection with the development of our homebuilding projects. The expiration dates of the letter of credit contracts coincide with the expected completion date of the related homebuilding projects. If the obligations related to a project are ongoing, annual extensions of the letters of credit are typically granted on a year-to-year basis. At December 31, 2018, we had outstanding letters of credit of \$239.4 million. Our surety bonds generally do not have stated expiration dates; rather, we are released from

Critical Accounting Policies and Estimates

The accompanying consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles. When more than one accounting principle, or the method of its application, is generally accepted, we select the principle or method that is appropriate in our specific circumstances (see Note 1 to our Consolidated Financial Statements). Application of these accounting principles requires us to make estimates about the future resolution of existing uncertainties; as a result, actual results could differ from these estimates. In preparing these consolidated financial statements, we have made our best estimates and judgments of the amounts and disclosures included in the consolidated financial statements, giving due regard to materiality.

Revenue recognition

Home sale revenues - Home sale revenues and related profit are generally recognized when title to and possession of the home are transferred to the buyer at the home closing date. Little to no estimation is involved in recognizing such revenues.

Land sale revenues - We periodically elect to sell parcels of land to third parties in the event such assets no longer fit into our strategic operating plans or are zoned for commercial or other development. Land sales are generally outright sales of specified land parcels with cash consideration due on the closing date, which is generally when performance obligations are satisfied. Certain land sale contracts may contain unique terms that require management judgment in determining the appropriate revenue recognition, but the impact of such transactions is generally immaterial.

Financial services revenues - Loan origination fees, commitment fees, and certain direct loan origination costs are recognized as incurred. Expected gains and losses from the sale of residential mortgage loans and their related servicing rights are included in the measurement of written loan commitments that are accounted for at fair value through Financial Services revenues at the time of commitment. The determination of fair value for certain of these financial instruments requires the use of estimates and management judgment. Subsequent changes in the fair value of these loans are reflected in Financial Services revenues as they occur. Interest income is accrued from the date a mortgage loan is originated until the loan is sold. Mortgage servicing fees represent fees earned for servicing loans for various investors. Servicing fees are based on a contractual percentage of the outstanding principal balance, or a contracted set fee in the case of certain sub-servicing arrangements, and are credited to income when related mortgage payments are received or the sub-servicing fees are earned.

Revenues associated with our title operations are recognized as closing services are rendered and title insurance policies are issued, both of which generally occur as each home is closed. Insurance brokerage commissions relate to commissions on home and other insurance policies placed with third party carriers through various agency channels. Our performance obligations for policy renewal commissions are considered satisfied upon issuance of the initial policy, and related contract assets for estimated future renewal commissions are included in other assets and totaled \$30.8 million at December 31, 2018. Due to uncertainties in the estimation process and the long duration of renewal policies, which can extend years into the future, actual results could differ from such estimates.

Inventory and cost of revenues

Inventory is stated at cost unless the carrying value is determined to not be recoverable, in which case the affected inventory is written down to fair value. Cost includes land acquisition, land development, and home construction costs, including interest, real estate taxes, and certain direct and indirect overhead costs related to development and construction. For those communities for which construction and development activities have been idled, applicable interest and real estate taxes are expensed as incurred. Land acquisition and development costs are allocated to individual lots using an average lot cost determined based on the total expected land acquisition and development costs and the total expected home closings for the community. The specific identification method is used to accumulate home construction costs.

We capitalize interest cost into homebuilding inventories. Each layer of capitalized interest is amortized over a period that approximates the average life of communities under development. Interest expense is allocated over the period based on the timing of home closings.

Cost of revenues includes the construction cost, average lot cost, estimated warranty costs, and closing costs applicable to the home. Sales commissions are classified within selling, general, and administrative expenses. The construction cost of the home includes amounts paid through the closing date of the home, plus an accrual for costs incurred but not yet paid, based on an analysis of budgeted construction costs. This accrual is reviewed for accuracy based on actual payments made after closing compared with the amount accrued, and adjustments are made if needed. Total community land acquisition and development

the U.S. housing industry and broader economy. The accounting for deferred taxes is based upon estimates of future results. Differences between estimated and actual results could result in changes in the valuation of our deferred tax assets that could have a material impact on our consolidated results of operations or financial position. Changes in existing tax laws could also affect actual tax results and the realization of deferred tax assets over time.

Unrecognized tax benefits represent the difference between tax positions taken or expected to be taken in a tax return and the benefits recognized for financial statement purposes. We follow the provisions of ASC 740, "Income Taxes" ("ASC 740"), which prescribes a minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. Significant judgment is required to evaluate uncertain tax positions. Our evaluations of tax positions consider a variety of factors, including relevant facts and circumstances, applicable tax law, correspondence with taxing authorities, and effective settlements of audit issues. Changes in the recognition or measurement of uncertain tax positions could result in material increases or decreases in income tax expense (benefit) in the period in which the change is made. Interest and penalties related to income taxes and unrecognized tax benefits are recognized as a component of income tax expense (benefit).

Self-insured risks

At any point in time, we are managing over 1,000 individual claims related to general liability, property, errors and omission, workers compensation, and other business insurance coverage. We reserve for costs associated with such claims (including expected claims management expenses) on an undiscounted basis at the time product revenue is recognized for each home closing and periodically evaluate the recorded liabilities based on actuarial analyses of our historical claims. The actuarial analyses calculate estimates of the ultimate cost of all unpaid losses, including estimates for incurred but not reported losses ("IBNR"). IBNR represents losses related to claims incurred but not yet reported plus development on reported claims.

Our recorded reserves for all such claims totaled \$737.0 million and \$758.8 million at December 31, 2018 and 2017, respectively, the vast majority of which relate to general liability claims. The recorded reserves include loss estimates related to both (i) existing claims and related claim expenses and (ii) IBNR and related claim expenses. Liabilities related to IBNR and related claim expenses represented approximately 65% of the total general liability reserves at December 31, 2018 and 2017. The actuarial analyses that determine the IBNR portion of reserves consider a variety of factors, including the frequency and severity of losses, which are based on our historical claims experience supplemented by industry data. The actuarial analyses of the reserves also consider historical third party recovery rates and claims management expenses. Because of the inherent uncertainty in estimating future losses related to these claims, actual costs could differ significantly from estimated costs. Based on the actuarial analyses performed, we believe the range of reasonably possible losses related to these claims is \$625 million to \$850 million. While this range represents our best estimate of our ultimate liability related to these claims, due to a variety of factors, including those factors described above, there can be no assurance that the ultimate costs realized by us will fall within this range.

Housing market conditions have been volatile across most of our markets over the past ten years, and we believe such conditions can affect the frequency and cost of construction defect claims. Additionally, IBNR estimates comprise the majority of our liability and are subject to a high degree of uncertainty due to a variety of factors, including changes in claims reporting and resolution patterns, third party recoveries, insurance industry practices, the regulatory environment, and legal precedent. State regulations vary, but construction defect claims are reported and resolved over an extended period often exceeding ten years. Changes in the frequency and timing of reported claims and estimates of specific claim values can impact the underlying inputs and trends utilized in the actuarial analyses, which could have a material impact on the recorded reserves. Additionally, the amount of insurance coverage available for each policy period also impacts our recorded reserves. Because of the inherent uncertainty in estimating future losses and the timing of such losses related to these claims, actual costs could differ significantly from estimated costs.

Adjustments to reserves are recorded in the period in which the change in estimate occurs. During 2018, 2017, and 2016, we reduced general liability reserves by \$35.9 million, \$97.8 million, and \$57.1 million, respectively, as a result of changes in estimates resulting from actual claim experience observed being less than anticipated in previous actuarial projections. The changes in actuarial estimates were driven by changes in actual claims experience that, in turn, impacted actuarial estimates for potential future claims. These changes in actuarial estimates did not involve any changes in actuarial methodology but did impact the development of estimates for future periods, which resulted in adjustments to the IBNR portion of our recorded liabilities.

In certain instances, we have the ability to recover a portion of our costs under various insurance policies or from subcontractors or other third parties. Estimates of such amounts are recorded when recovery is considered probable. Our receivables from insurance carriers totaled \$153.0 million and \$213.4 million at December 31, 2018 and 2017, respectively. The

In order to reduce these risks, we use other derivative financial instruments, principally cash forward placement contracts on mortgage-backed securities and whole loan investor commitments, to economically hedge the interest rate lock commitment. We generally enter into one of the aforementioned derivative financial instruments upon accepting interest rate lock commitments. Changes in the fair value of interest rate lock commitments and the other derivative financial instruments are recognized in Financial Services revenues. We do not use any derivative financial instruments for trading purposes.

At December 31, 2018 and 2017, residential mortgage loans available-for-sale had an aggregate fair value of \$461.4 million and \$570.6 million, respectively. At December 31, 2018 and 2017, we had aggregate interest rate lock commitments of \$285.0 million and \$210.9 million, respectively, which were originated at interest rates prevailing at the date of commitment. Unexpired forward contracts totaled \$511.0 million and \$522.0 million at December 31, 2018 and 2017, respectively, and whole loan investor commitments totaled \$187.8 million and \$203.1 million, respectively, at such dates. Hypothetical changes in the fair values of our financial instruments arising from immediate parallel shifts in long-term mortgage rates would not be material to our financial results due to the offsetting nature in the movements in fair value of our financial instruments.

SPECIAL NOTES CONCERNING FORWARD-LOOKING STATEMENTS

As a cautionary note, except for the historical information contained herein, certain matters discussed in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, and Item 7A, *Quantitative and Qualitative Disclosures About Market Risk*, are "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities, as well as those of the markets we serve or intend to serve, to differ materially from those expressed in, or implied by, these statements. You can identify these statements by the fact that they do not relate to matters of a strictly factual or historical nature and generally discuss or relate to forecasts, estimates or other expectations regarding future events. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "plan," "project," "may," "can," "could," "might," "should", "will" and similar expressions identify forward-looking statements, including statements related to the impairment charge with respect to certain land parcels and the impacts or effects thereof, expected operating and performing results, planned transactions, planned objectives of management, future developments or conditions in the industries in which we participate and other trends, developments and uncertainties that may affect our business in the future.

Such risks, uncertainties and other factors include, among other things: interest rate changes and the availability of mortgage financing; competition within the industries in which we operate; the availability and cost of land and other raw materials used by us in our homebuilding operations; the impact of any changes to our strategy in responding to the cyclical nature of the industry, including any changes regarding our land positions and the levels of our land spend; the availability and cost of insurance covering risks associated with our businesses; shortages and the cost of labor; weather related slowdowns; slow growth initiatives and/or local building moratoria; governmental regulation directed at or affecting the housing market, the homebuilding industry or construction activities; uncertainty in the mortgage lending industry, including revisions to underwriting standards and repurchase requirements associated with the sale of mortgage loans; the interpretation of or changes to tax, labor and environmental laws, including, but not limited to the Tax Cuts and Jobs Act which could have a greater impact on our effective tax rate or the value of our deferred tax assets than we anticipate; economic changes nationally or in our local markets, including inflation, deflation, changes in consumer confidence and preferences and the state of the market for homes in general; legal or regulatory proceedings or claims; our ability to generate sufficient cash flow in order to successfully implement our capital allocation priorities; required accounting changes; terrorist acts and other acts of war; and other factors of national, regional and global scale, including those of a political, economic, business and competitive nature. See Item 1A — Risk Factors for a further discussion of these and other risks and uncertainties applicable to our businesses. We undertake no duty to update any forward-looking statement, whether as a result of new information, future events or changes in our expectations.

PULTEGROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the years ended December 31, 2018, 2017, and 2016
(000's omitted, except per share data)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues:			
Homebuilding			
Home sale revenues	\$ 9,818,445	\$ 8,323,984	\$ 7,451,315
Land sale and other revenues	164,504	61,542	44,089
	<u>9,982,949</u>	<u>8,385,526</u>	<u>7,495,404</u>
Financial Services	205,382	192,160	181,126
Total revenues	<u>10,188,331</u>	<u>8,577,686</u>	<u>7,676,530</u>
Homebuilding Cost of Revenues:			
Home sale cost of revenues	(7,540,937)	(6,461,152)	(5,587,974)
Land sale cost of revenues	(126,560)	(134,449)	(32,115)
	<u>(7,667,497)</u>	<u>(6,595,601)</u>	<u>(5,620,089)</u>
Financial Services expenses	(147,422)	(119,289)	(108,573)
Selling, general, and administrative expenses	(1,012,023)	(891,581)	(957,150)
Other expense, net	(13,849)	(32,387)	(56,868)
Income before income taxes	<u>1,347,540</u>	<u>938,828</u>	<u>933,850</u>
Income tax expense	(325,517)	(491,607)	(331,147)
Net income	<u>\$ 1,022,023</u>	<u>\$ 447,221</u>	<u>\$ 602,703</u>
Net income per share:			
Basic	<u>\$ 3.56</u>	<u>\$ 1.45</u>	<u>\$ 1.76</u>
Diluted	<u>\$ 3.55</u>	<u>\$ 1.44</u>	<u>\$ 1.75</u>
Cash dividends declared	<u>\$ 0.38</u>	<u>\$ 0.36</u>	<u>\$ 0.36</u>
Number of shares used in calculation:			
Basic	283,578	305,089	339,747
Effect of dilutive securities	1,287	1,725	2,376
Diluted	<u>284,865</u>	<u>306,814</u>	<u>342,123</u>

See Notes to Consolidated Financial Statements.

PULTEGROUP, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
For the years ended December 31, 2018, 2017, and 2016
(000's omitted)

	Common Shares		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total
	Shares	\$				
Shareholders' Equity, December 31, 2015	349,149	\$ 3,491	\$ 3,093,802	\$ (609)	\$ 1,662,641	\$ 4,759,325
Stock option exercises	498	5	5,840	—	—	5,845
Share issuances, net of cancellations	530	5	8,851	—	—	8,856
Dividends declared	—	—	—	—	(122,240)	(122,240)
Share repurchases	(31,087)	(310)	—	—	(602,896)	(603,206)
Share-based compensation	—	—	18,626	—	—	18,626
Excess tax benefits (deficiencies) from share-based compensation	—	—	(10,629)	—	—	(10,629)
Net income	—	—	—	—	602,703	602,703
Other comprehensive income	—	—	—	83	—	83
Shareholders' Equity, December 31, 2016	319,090	\$ 3,191	\$ 3,116,490	\$ (526)	\$ 1,540,208	\$ 4,659,363
Cumulative effect of accounting change (see Note 1)	—	—	(406)	—	18,644	18,238
Stock option exercises	2,352	24	27,696	—	—	27,720
Share issuances, net of cancellations	730	10	3,555	—	—	3,565
Dividends declared	—	—	—	—	(110,046)	(110,046)
Share repurchases	(35,420)	(357)	—	—	(915,966)	(916,323)
Share-based compensation	—	—	24,207	—	—	24,207
Excess tax benefits (deficiencies) from share-based compensation	—	—	—	—	—	—
Net income	—	—	—	81	447,221	447,221
Other comprehensive income	—	—	—	—	—	—
Shareholders' Equity, December 31, 2017	286,752	\$ 2,868	\$ 3,171,542	\$ (445)	\$ 980,061	\$ 4,154,026
Cumulative effect of accounting change (see Note 1)	—	—	—	—	22,411	22,411
Stock option exercises	605	6	6,549	—	—	6,555
Share issuances, net of cancellations	935	9	3,475	—	—	3,484
Dividends declared	—	—	—	—	(108,489)	(108,489)
Share repurchases	(11,182)	(112)	(284)	—	(302,077)	(302,473)
Share-based compensation	—	—	20,145	—	—	20,145
Net income	—	—	—	—	1,022,023	1,022,023
Other comprehensive income	—	—	—	100	—	100
Shareholders' Equity, December 31, 2018	277,110	\$ 2,771	\$ 3,201,427	\$ (345)	\$ 1,613,929	\$ 4,817,782

See Notes to Consolidated Financial Statements.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

Basis of presentation

PulteGroup, Inc. is one of the largest homebuilders in the U.S., and our common shares trade on the New York Stock Exchange under the ticker symbol "PHM". Unless the context otherwise requires, the terms "PulteGroup", the "Company", "we", "us", and "our" used herein refer to PulteGroup, Inc. and its subsidiaries. While our subsidiaries engage primarily in the homebuilding business, we also have mortgage banking operations, conducted principally through Pulte Mortgage LLC ("Pulte Mortgage"), and title and insurance brokerage operations.

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of PulteGroup, Inc. and all of its direct and indirect subsidiaries and variable interest entities in which PulteGroup, Inc. is deemed to be the primary beneficiary. All significant intercompany accounts, transactions, and balances have been eliminated in consolidation.

Business acquisitions

We acquired substantially all of the assets of JW Homes ("Wieland") in January 2016, for \$430.5 million in cash and the assumption of certain payables related to such assets. The acquired net assets were located in Atlanta, Charleston, Charlotte, Nashville, and Raleigh, and included approximately 7,000 lots, including 375 homes in inventory, and control of approximately 1,300 lots through land option contracts. We also assumed a sales order backlog of 317 homes. The acquired net assets were recorded at their estimated fair values and resulted in goodwill of \$40.4 million and separately identifiable intangible assets of \$18.0 million comprised of the John Wieland Homes and Neighborhoods tradename, which is being amortized over a 20-year life. The acquisition of these assets was not material to our results of operations or financial condition.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Effective with our first quarter 2018 reporting, we reclassified customer deposit income from other expense, net to land sale and other revenues. All prior period amounts have been reclassified to conform to the current presentation.

Subsequent events

We evaluated subsequent events up until the time the financial statements were filed with the Securities and Exchange Commission ("SEC").

Cash and equivalents

Cash and equivalents include institutional money market investments and time deposits with a maturity of three months or less when acquired. Cash and equivalents at December 31, 2018 and 2017 also included \$40.9 million and \$80.3 million, respectively, of cash from home closings held in escrow for our benefit, typically for less than five days, which are considered deposits in-transit.

Restricted cash

We maintain certain cash balances that are restricted as to their use, including customer deposits on home sales that are temporarily restricted by regulatory requirements until title transfers to the homebuyer. Total cash, cash equivalents, and restricted cash includes restricted cash balances of \$23.6 million and \$33.5 million at December 31, 2018 and 2017, respectively.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Other expense, net

Other expense, net consists of the following (\$000's omitted):

	2018	2017	2016
Write-offs of deposits and pre-acquisition costs <u>(Note 2)</u>	\$ (16,992)	\$ (11,367)	\$ (17,157)
Lease exit and related costs <i>(a)</i>	(240)	(1,729)	(11,643)
Amortization of intangible assets <u>(Note 1)</u>	(13,800)	(13,800)	(13,800)
Interest expense	(618)	(503)	(686)
Interest income	7,593	2,537	3,236
Equity in earnings (loss) of unconsolidated entities <u>(Note 4)</u> <i>(b)</i>	2,690	(1,985)	8,337
Miscellaneous, net <i>(c)</i>	7,518	(5,540)	(25,155)
Total other expense, net	<u>\$ (13,849)</u>	<u>\$ (32,387)</u>	<u>\$ (56,868)</u>

- (a) Lease exit and related costs resulted from actions taken to reduce overheads and the substantial completion of our corporate headquarters relocation from Michigan to Georgia, which began in 2013.*
- (b) Includes an \$8.0 million impairment of an investment in an unconsolidated entity in 2017 (see Note 2).*
- (c) Miscellaneous, net includes a charge of \$15.0 million in 2016 related to the settlement of a disputed land transaction (see Note 11).*

Earnings per share

Basic earnings per share is computed by dividing income available to common shareholders (the "Numerator") by the weighted-average number of common shares, adjusted for unvested shares, (the "Denominator") for the period. Computing diluted earnings per share is similar to computing basic earnings per share, except that the Denominator is increased to include the dilutive effects of stock options, unvested restricted shares, unvested restricted share units, and other potentially dilutive instruments. Any stock options that have an exercise price greater than the average market price of our common shares are considered anti-dilutive and excluded from the diluted earnings per share calculation. Our earnings per share excluded 1.8 million potentially dilutive instruments in 2016. Anti-dilutive shares were immaterial in 2018 and 2017.

In accordance with ASC 260 "Earnings Per Share" ("ASC 260"), the two-class method determines earnings per share for each class of common share and participating securities according to an earnings allocation formula that adjusts the Numerator for dividends or dividend equivalents and participation rights in undistributed earnings. Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents are participating securities and, therefore, are included in computing earnings per share pursuant to the two-class method. Our outstanding restricted share awards, restricted share units, and deferred shares are considered participating securities. The following table presents the earnings per common share (000's omitted, except per share data):

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Revenue recognition

Home sale revenues - Home sale revenues and related profit are generally recognized when title to and possession of the home are transferred to the buyer at the home closing date. Our performance obligation to deliver the agreed-upon home is generally satisfied in less than one year from the original contract date. Home sale contract assets consist of cash from home closings held in escrow for our benefit, typically for less than five days, which are considered deposits in-transit and classified as cash. Contract liabilities include customer deposit liabilities related to sold but undelivered homes, which totaled \$254.6 million and \$250.8 million at December 31, 2018 and 2017, respectively. Substantially all of our home sales are scheduled to close and be recorded to revenue within one year from the date of receiving a customer deposit.

Land sale revenues - We periodically elect to sell parcels of land to third parties in the event such assets no longer fit into our strategic operating plans or are zoned for commercial or other development. Land sales are generally outright sales of specified land parcels with cash consideration due on the closing date, which is generally when performance obligations are satisfied. During 2018, we closed on a number of land sale transactions that generated gains totaling \$31.4 million, as the proceeds from the sales exceeded the cost basis of the land. Substantially all performance obligations related to these transactions were satisfied at closing.

Financial services revenues - Loan origination fees, commitment fees, and certain direct loan origination costs are recognized as incurred. Expected gains and losses from the sale of residential mortgage loans and their related servicing rights are included in the measurement of written loan commitments that are accounted for at fair value through Financial Services revenues at the time of commitment. Subsequent changes in the fair value of these loans are reflected in Financial Services revenues as they occur. Interest income is accrued from the date a mortgage loan is originated until the loan is sold. Mortgage servicing fees represent fees earned for servicing loans for various investors. Servicing fees are based on a contractual percentage of the outstanding principal balance and are credited to income when related mortgage payments are received or the sub-servicing fees are earned.

Revenues associated with our title operations are recognized as closing services are rendered and title insurance policies are issued, both of which generally occur as each home is closed. Insurance brokerage commissions relate to commissions on home and other insurance policies placed with third party carriers through various agency channels. Our performance obligations for policy renewal commissions are considered satisfied upon issuance of the initial policy, and related contract assets for estimated future renewal commissions are included in other assets and totaled \$30.8 million at December 31, 2018. Contract assets totaling \$27.7 million were recognized on January 1, 2018, in conjunction with the adoption of Accounting Standards Codification ("ASC") 606, "Revenue from Contracts with Customers" ("ASC 606"). Refer to "*New accounting pronouncements*" within Note 1 for further discussion.

Sales incentives

When sales incentives involve a discount on the selling price of the home, we record the discount as a reduction of revenue at the time of house closing. If the sales incentive requires us to provide a free product or service to the customer, the cost of the free product or service is recorded as cost of revenues at the time of house closing. This includes the cost related to optional upgrades and seller-paid financing costs, closing costs, homeowners' association fees, or merchandise.

Inventory and cost of revenues

Inventory is stated at cost unless the carrying value is determined to not be recoverable, in which case the affected inventory is written down to fair value. Cost includes land acquisition, land development, and home construction costs, including interest, real estate taxes, and certain direct and indirect overhead costs related to development and construction. For those communities for which construction and development activities have been idled, applicable interest and real estate taxes are expensed as incurred. Land acquisition and development costs are allocated to individual lots using an average lot cost determined based on the total expected land acquisition and development costs and the total expected home closings for the community. The specific identification method is used to accumulate home construction costs.

We capitalize interest cost into homebuilding inventories. Each layer of capitalized interest is amortized over a period that approximates the average life of communities under development. Interest expense is allocated over the period based on the timing of home closings.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Allowance for warranties

Home purchasers are provided with a limited warranty against certain building defects, including a one-year comprehensive limited warranty and coverage for certain other aspects of the home's construction and operating systems for periods of up to 10 years. We estimate the costs to be incurred under these warranties and record a liability in the amount of such costs at the time revenue is recognized (see Note 11).

Self-insured risks

We maintain, and require the majority of our subcontractors to maintain, general liability insurance coverage, including coverage for certain construction defects. We also maintain builders' risk, property, errors and omissions, workers compensation, and other business insurance coverage. These insurance policies protect us against a portion of the risk of loss from claims, subject to certain self-insured per occurrence and aggregate retentions, deductibles, and available policy limits. However, we retain a significant portion of the overall risk for such claims. We reserve for these costs on an undiscounted basis at the time revenue is recognized for each home closing and evaluate the recorded liabilities based on actuarial analyses of our historical claims, which include estimates of claims incurred but not yet reported. Adjustments to estimated reserves are recorded in the period in which the change in estimate occurs. In certain instances, we have the ability to recover a portion of our costs under various insurance policies or from our subcontractors or other third parties. Estimates of such amounts are recorded when recovery is considered probable. See Note 11.

Residential mortgage loans available-for-sale

Substantially all of the loans originated by us and their related servicing rights are sold in the secondary mortgage market within a short period of time after origination, generally within 30 days. In accordance with ASC 825, "Financial Instruments" ("ASC 825"), we use the fair value option to record residential mortgage loans available-for-sale. Election of the fair value option for these loans allows a better offset of the changes in fair values of the loans and the derivative instruments used to economically hedge them without having to apply complex hedge accounting provisions. We do not designate any derivative instruments as hedges or apply the hedge accounting provisions of ASC 815, "Derivatives and Hedging." See Note 11 for discussion of the risks retained related to mortgage loan originations.

Expected gains and losses from the sale of residential mortgage loans and their related servicing rights are included in the measurement of written loan commitments that are accounted for at fair value through Financial Services revenues at the time of commitment. Subsequent changes in the fair value of these loans are reflected in Financial Services revenues as they occur. At December 31, 2018 and 2017, residential mortgage loans available-for-sale had an aggregate fair value of \$461.4 million and \$570.6 million, respectively, and an aggregate outstanding principal balance of \$444.2 million and \$553.5 million, respectively. The net gain (loss) resulting from changes in fair value of these loans totaled \$0.7 million and \$(2.2) million for the years ended December 31, 2018 and 2017, respectively. These changes in fair value were substantially offset by changes in fair value of the corresponding hedging instruments. Net gains from the sale of mortgages during 2018, 2017, and 2016 were \$111.3 million, \$110.9 million, and \$109.6 million, respectively, and have been included in Financial Services revenues.

Mortgage servicing rights

We sell the servicing rights for the loans we originate through fixed price servicing sales contracts to reduce the risks and costs inherent in servicing loans. This strategy results in owning the servicing rights for only a short period of time. The servicing sales contracts provide for the reimbursement of payments made by the purchaser if loans prepay within specified periods of time, generally within 90 to 120 days after sale. We establish reserves for this exposure at the time the sale is recorded. Such reserves were immaterial at December 31, 2018 and 2017.

Loans held for investment

We maintain a portfolio of loans that either have been repurchased from investors or were not saleable upon closing. We have the intent and ability to hold these loans for the foreseeable future or until maturity or payoff. These loans are reviewed annually for impairment, or when recoverability becomes doubtful. Loans held for investment are included in other assets and totaled \$8.9 million and \$11.2 million at December 31, 2018 and 2017, respectively.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

On January 1, 2018, we adopted Accounting Standards Update ("ASU") No. 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"), on a retrospective basis. ASU 2016-15 addresses several specific cash flow issues. The adoption of ASU 2016-15 had no effect on our financial statements.

ASC 842, "Leases", becomes effective for us for interim and annual periods beginning January 1, 2019. The standard requires that lease assets and liabilities be recognized on the balance sheet and that key information about leasing arrangements be disclosed. Upon adoption, we expect to recognize additional lease assets and liabilities of approximately \$80 million to reflect the present value of remaining lease payments under existing leasing arrangements. While the recognition of such lease assets and liabilities will impact our consolidated balance sheet, we do not expect a material impact on our consolidated statements of operations or cash flows. We also do not expect significant changes to our business processes, systems, or internal controls as a result of implementing the standard. We have elected to apply the modified retrospective transition approach, so financial information will not be updated for periods prior to January 1, 2019.

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments", which changes the impairment model for most financial assets and certain other instruments from an "incurred loss" approach to a new "expected credit loss" methodology. The standard is effective for us for annual and interim periods beginning January 1, 2020, with early adoption permitted, and requires full retrospective application on adoption. We are currently evaluating the impact the standard will have on our financial statements.

In January 2017, the FASB issued ASU No. 2017-04, "Intangibles - Goodwill and Other (Topic 350): Simplifying the Accounting for Goodwill Impairment." ("ASU 2017-04"), which removes the requirement to perform a hypothetical purchase price allocation to measure goodwill impairment. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. ASU 2017-04 is effective for us for annual and interim periods beginning January 1, 2020, with early adoption permitted, and applied prospectively. We do not expect ASU 2017-04 to have a material impact on our financial statements.

2. Inventory and land held for sale

Major components of inventory at December 31, 2018 and 2017 were (\$000's omitted):

	<u>2018</u>	<u>2017</u>
Homes under construction	\$ 2,630,158	\$ 2,421,405
Land under development	4,129,225	4,135,814
Raw land	493,970	589,911
	<u>\$ 7,253,353</u>	<u>\$ 7,147,130</u>

In all periods presented, we capitalized all Homebuilding interest costs into inventory because the level of our active inventory exceeded our debt levels. Activity related to interest capitalized into inventory is as follows (\$000's omitted):

	<u>Years Ended December 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Interest in inventory, beginning of period	\$ 226,611	\$ 186,097	\$ 149,498
Interest capitalized	172,809	181,719	160,506
Interest expensed	(171,925)	(141,205)	(123,907)
Interest in inventory, end of period	<u>\$ 227,495</u>	<u>\$ 226,611</u>	<u>\$ 186,097</u>

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

We determine the fair value of a community's inventory using a combination of discounted cash flow models and market comparable transactions, where available. These estimated cash flows are significantly impacted by estimates related to expected average selling prices, expected sales paces, expected land development and construction timelines, and anticipated land development, construction, and overhead costs. The assumptions used in the cash flow models are specific to each community and typically do not assume improvements in market conditions in the near term. The discount rate used in determining each community's fair value depends on the stage of development of the community and other specific factors that increase or decrease the inherent risks associated with the community's cash flow streams. Accordingly, determining the fair value of a community's inventory involves a number of variables, many of which are interrelated. The table below summarizes certain quantitative unobservable inputs utilized in determining the fair value of impaired communities (\$000's omitted):

	Communities Impaired	Fair Value of Communities Impaired, Net of Impairment Charges	Impairment Charges	Average Selling Price	Quarterly Sales Pace (homes)	Discount Rate
2018	8	\$ 24,062	\$ 70,965	\$287 to \$586	2 to 11	12% to 22%
2017	9	19,252	88,952	\$207 to \$818	1 to 11	12% to 25%
2016	2	8,920	1,074	\$109 to \$563	3 to 5	12%

Our evaluations for impairments are based on our best estimates of the future cash flows for our communities. Due to uncertainties in the estimation process, the significant volatility in demand for new housing, the long life cycles of certain of our communities, and potential changes in our strategy related to certain communities, actual results could differ significantly from such estimates.

Land held for sale

Land held for sale at December 31, 2018 and 2017 was as follows (\$000's omitted):

	2018	2017
Land held for sale, gross	\$ 40,037	\$ 142,070
Net realizable value reserves	(3,188)	(73,686)
Land held for sale, net	\$ 36,849	\$ 68,384

3. Segment information

Our Homebuilding operations are engaged in the acquisition and development of land primarily for residential purposes within the U.S. and the construction of housing on such land. Home sale revenues for detached and attached homes were \$8.2 billion and \$1.6 billion in 2018, \$7.3 billion and \$1.1 billion in 2017, and \$6.5 billion and \$1.0 billion in 2016, respectively. For reporting purposes, our Homebuilding operations are aggregated into six reportable segments:

Northeast:	<i>Connecticut, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Virginia</i>
Southeast:	<i>Georgia, North Carolina, South Carolina, Tennessee</i>
Florida:	<i>Florida</i>
Midwest:	<i>Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio</i>
Texas:	<i>Texas</i>
West:	<i>Arizona, California, Nevada, New Mexico, Washington</i>

We also have a reportable segment for our Financial Services operations, which consist principally of mortgage banking, title, and insurance brokerage operations. The Financial Services segment operates generally in the same markets as the Homebuilding segments. Evaluation of segment performance is generally based on income before income taxes. Each reportable segment generally follows the same accounting policies described in Note 1.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

	Operating Data by Segment (\$000's omitted) Years Ended December 31,		
	2018	2017	2016
Land-related charges*:			
Northeast	\$ 74,488	\$ 51,362	\$ 2,079
Southeast	8,140	55,689	3,089
Florida	1,166	9,702	715
Midwest	7,361	8,917	3,383
Texas	1,204	2,521	515
West	5,159	56,995	8,960
Other homebuilding	1,928	6,726	595
	\$ 99,446	\$ 191,912	\$ 19,336

* Land-related charges include land impairments, net realizable value adjustments for land held for sale, and write-offs of deposits and pre-acquisition costs for land option contracts we elected not to pursue. Other homebuilding consists primarily of write-offs of capitalized interest related to such land-related charges. See Note 2 for additional discussion of these charges.

	Operating Data by Segment (\$000's omitted) Years Ended December 31,		
	2018	2017	2016
Depreciation and amortization:			
Northeast	\$ 2,093	\$ 2,392	\$ 2,133
Southeast	5,231	5,117	5,350
Florida	4,893	4,883	4,955
Midwest	4,271	4,449	5,099
Texas	3,082	3,301	3,673
West	6,758	5,828	6,739
Other homebuilding (a)	18,908	21,326	22,467
	45,236	47,296	50,416
Financial Services	4,193	3,702	3,591
	\$ 49,429	\$ 50,998	\$ 54,007

(a) Other homebuilding includes amortization of intangible assets.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

4. Investments in unconsolidated entities

We participate in a number of joint ventures with independent third parties. These joint ventures generally purchase, develop, and sell land, including selling land to us for use in our homebuilding operations. A summary of our joint ventures is presented below (\$000's omitted):

	December 31,	
	2018	2017
Investments in joint ventures with limited recourse debt	\$ 31,551	\$ 37,063
Investments in joint ventures with debt non-recourse to PulteGroup	3,471	3,567
Investments in other active joint ventures	19,568	22,327
Total investments in unconsolidated entities	\$ 54,590	\$ 62,957
Total joint venture debt	\$ 42,948	\$ 59,544
PulteGroup proportionate share of joint venture debt:		
Joint venture debt with limited recourse guaranties	\$ 21,059	\$ 28,157
Joint venture debt non-recourse to PulteGroup	217	700
PulteGroup's total proportionate share of joint venture debt	\$ 21,276	\$ 28,857

In 2018, 2017, and 2016, we recognized earnings (losses) from unconsolidated joint ventures of \$2.7 million, \$(2.0) million, and \$8.3 million, respectively. We received distributions from our unconsolidated joint ventures of \$12.1 million, \$9.4 million, and \$10.9 million, in 2018, 2017, and 2016, respectively. We made capital contributions of \$1.0 million, \$23.0 million and 14.5 million in 2018, 2017, and 2016, respectively.

At December 31, 2018, aggregate outstanding debt of unconsolidated joint ventures was \$42.9 million, of which \$42.1 million was related to one joint venture in which we have a 50% interest. In connection with this loan, we and our joint venture partner provided customary limited recourse guaranties in which our maximum financial loss exposure is limited to our pro rata share of the debt outstanding. The limited guaranties include, but are not limited to: (i) completion of certain aspects of the project; (ii) an environmental indemnity provided to the lender; and (iii) an indemnification of the lender from certain "bad boy acts" of the joint venture.

The timing of cash flows related to a joint venture and any related financing agreements varies by agreement. If additional capital contributions are required and approved by the joint venture, we would need to contribute our pro rata portion of those capital needs in order to not dilute our ownership in the joint ventures. While future capital contributions may be required, we believe the total amount of such contributions will be limited. Our maximum financial exposure related to joint ventures is unlikely to exceed the combined investment and limited recourse guaranty totals.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

provides for the issuance of letters of credit that reduce the available borrowing capacity under the Revolving Credit Facility, with a sublimit of \$500.0 million at December 31, 2018. The interest rate on borrowings under the Revolving Credit Facility may be based on either the London Interbank Offered Rate ("LIBOR") or a base rate plus an applicable margin, as defined therein. In the event that LIBOR is no longer widely available, the agreement contemplates transitioning to an alternative widely available market rate agreeable between the parties. We had no borrowings outstanding and \$239.4 million and \$235.5 million of letters of credit issued under the Revolving Credit Facility at December 31, 2018 and 2017, respectively.

The Revolving Credit Facility contains financial covenants that require us to maintain a minimum Tangible Net Worth, a minimum Interest Coverage Ratio, and a maximum Debt-to-Capitalization Ratio (as each term is defined in the Revolving Credit Facility). As of December 31, 2018, we were in compliance with all covenants. Outstanding balances under the Revolving Credit Facility are guaranteed by certain of our wholly-owned subsidiaries. Our available and unused borrowings under the Revolving Credit Facility, net of outstanding letters of credit, amounted to \$760.6 million and \$764.5 million as of December 31, 2018 and 2017, respectively.

Pulte Mortgage

Pulte Mortgage maintains a master repurchase agreement with third party lenders. In August 2018, Pulte Mortgage entered into an amended and restated repurchase agreement (the "Repurchase Agreement") that extended the maturity date to August 2019. The maximum aggregate commitment was \$520.0 million during the seasonally high borrowing period from December 26, 2018 through January 14, 2019. Through maturity, the maximum aggregate commitment ranges from \$240.0 million to \$400.0 million. The purpose of the changes in capacity during the term of the agreement is to lower associated fees during seasonally lower volume periods of mortgage origination activity. Borrowings under the Repurchase Agreement are secured by residential mortgage loans available-for-sale. The Repurchase Agreement contains various affirmative and negative covenants applicable to Pulte Mortgage, including quantitative thresholds related to net worth, net income, and liquidity. Pulte Mortgage had \$348.4 million and \$437.8 million outstanding under the Repurchase Agreement at December 31, 2018, and 2017, respectively, and was in compliance with its covenants and requirements as of such dates.

The following is aggregate borrowing information for our mortgage operations (\$000's omitted):

	December 31,	
	2018	2017
Available credit lines	\$ 520,000	\$ 475,000
Unused credit lines	\$ 171,588	\$ 37,196
Weighted-average interest rate	4.27%	3.55%

6. Shareholders' equity

Our declared quarterly cash dividends totaled \$108.5 million, \$110.0 million, and \$122.2 million in 2018, 2017, and 2016, respectively. Under a share repurchase program authorized by our Board of Directors, we repurchased 10.9 million, 35.4 million, and 30.9 million shares in 2018, 2017, and 2016, respectively, for a total of \$294.6 million, \$910.3 million, and \$600.0 million in 2018, 2017, and 2016, respectively. At December 31, 2018, we had remaining authorization to repurchase \$299.9 million of common shares.

Under our stock-based compensation plans, we accept shares as payment under certain conditions related to stock option exercises and vesting of restricted shares and share units, generally related to the payment of tax obligations. During 2018, 2017, and 2016, employees surrendered shares valued at \$7.9 million, \$6.0 million, and \$3.2 million, respectively, under these plans. Such share transactions are excluded from the above noted share repurchase authorization.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

We did not issue any stock options during 2018, 2017, or 2016. As a result, there is no unrecognized compensation cost related to stock option awards at December 31, 2018. The intrinsic value of a stock option is the amount by which the market value of the underlying stock exceeds the exercise price of the option. The aggregate intrinsic value of stock options that were exercised during 2018, 2017, and 2016 was \$11.7 million, \$31.1 million, and \$4.5 million, respectively. As of December 31, 2018, options outstanding, all of which were exercisable, had an intrinsic value of \$8.1 million.

Restricted shares (including RSUs and performance shares)

A summary of restricted share activity, including RSUs and performance shares, for the three years ended December 31, 2018, is presented below (000's omitted, except per share data):

	2018		2017		2016	
	Shares	Weighted-Average Per Share Grant Date Fair Value	Shares	Weighted-Average Per Share Grant Date Fair Value	Shares	Weighted-Average Per Share Grant Date Fair Value
Outstanding, beginning of year	3,271	\$ 19	2,974	\$ 19	2,576	\$ 18
Granted	833	31	1,251	21	1,853	17
Distributed	(786)	22	(775)	19	(546)	20
Forfeited	(244)	22	(179)	19	(909)	12
Outstanding, end of year	<u>3,074</u>	<u>\$ 23</u>	<u>3,271</u>	<u>\$ 19</u>	<u>2,974</u>	<u>\$ 19</u>
Vested, end of year	<u>129</u>	<u>\$ 21</u>	<u>152</u>	<u>\$ 17</u>	<u>123</u>	<u>\$ 15</u>

During 2018, 2017, and 2016, the total fair value of shares vested during the year was \$17.1 million, \$15.0 million, and \$11.0 million, respectively. Unamortized compensation cost related to restricted share awards was \$19.0 million at December 31, 2018. These costs will be expensed over a weighted-average period of approximately 2 years. Additionally, there were 129,115 RSUs outstanding at December 31, 2018, that had vested but had not yet been paid out because the payout date had been deferred by the holders.

Long-term incentive plans

We maintain long-term incentive plans for senior management and other employees that provide awards based on the achievement of stated performance targets over three-year periods. Awards are stated in dollars but are settled in common shares based on the stock price at the end of the performance period. If the share price falls below a floor of \$5.00 per share at the end of the performance period or we do not have a sufficient number of shares available under our stock incentive plans at the time of settlement, then a portion of each award will be paid in cash. We adjust the liabilities and recognize the expense associated with the awards based on the probability of achieving the stated performance targets at each reporting period. Liabilities for these awards totaled \$17.0 million and \$14.0 million at December 31, 2018 and 2017, respectively.

8. Income taxes

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Act"). The Tax Act makes broad and complex changes to the U.S. tax code, including, but not limited to, the following that impact us: (1) reducing the U.S. federal corporate income tax rate from 35 percent to 21 percent; (2) eliminating the corporate alternative minimum tax; (3) creating a new limitation on deductible interest expense; (4) repealing the domestic production activities deduction; (5) limiting the deductibility of certain executive compensation; and (6) limiting certain other deductions.

The SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118"), which provides guidance on accounting for the tax effects of the Tax Act. SAB 118 provides for a measurement period that should not extend beyond one year from the Tax Act enactment date for companies to complete the accounting relating to the Tax Act under ASC 740. In accordance with SAB 118, a company must reflect the income tax effects of those aspects of the Tax Act for which the accounting under ASC 740 is complete. To the extent that a company's accounting for certain income tax effects of the Tax Act is incomplete but it is able to determine a reasonable estimate, it must record a provisional estimate in its financial statements. If a company cannot

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Deferred tax assets and liabilities reflect temporary differences arising from the different treatment of items for tax and accounting purposes. Components of our net deferred tax asset are as follows (\$000's omitted):

	At December 31,	
	2018	2017
Deferred tax assets:		
Accrued insurance	\$ 117,682	\$ 117,133
Inventory valuation reserves	132,495	202,791
Other reserves	60,585	78,271
NOL carryforwards:		
Federal	27,122	41,282
State	228,959	248,224
Alternative minimum tax credit carryforwards	2,546	54,965
Energy and other credit carryforwards	5,146	41,763
	574,535	784,429
Deferred tax liabilities:		
Capitalized items, including real estate basis differences, deducted for tax, net	(1,038)	(17,895)
Deferral of profit on home sales	(188,628)	(34,769)
Intangibles	(16,701)	(17,860)
	(206,367)	(70,524)
Valuation allowance	(92,589)	(68,610)
Net deferred tax asset	\$ 275,579	\$ 645,295

Our federal NOL carryforward deferred tax asset of \$27.1 million expires, if unused, between 2031 and 2032. We also have state NOLs in various jurisdictions which may generally be carried forward up to 20 years, depending on the jurisdiction. Our NOL carryforward deferred tax assets will expire if unused at various dates as follows: \$32.6 million from 2019 to 2023 and \$196.4 million from 2024 and thereafter.

We evaluate our deferred tax assets each period to determine if a valuation allowance is required based on whether it is "more likely than not" that some portion of the deferred tax assets would not be realized. The ultimate realization of these deferred tax assets is dependent upon the generation of sufficient taxable income during future periods. We conduct our evaluation by considering all available positive and negative evidence. This evaluation considers, among other factors, historical operating results, forecasts of future profitability, the duration of statutory carryforward periods, and the outlooks for the U.S. housing industry and broader economy.

Our ability to use certain of Centex's federal losses and credits is limited by Section 382 of the Internal Revenue Code. We do not believe that this limitation will prevent us from utilizing these Centex losses and credits. We do believe that full utilization of certain state NOL carryforwards will be limited due to Section 382.

The accounting for deferred taxes is based upon estimates of future results. Differences between estimated and actual results could result in changes in the valuation of our deferred tax assets that could have a material impact on our consolidated results of operations or financial position. Changes in existing tax laws could also affect actual tax results and the realization of deferred tax assets over time.

Unrecognized tax benefits represent the difference between tax positions taken or expected to be taken in a tax return and the benefits recognized for financial statement purposes. We had \$30.6 million and \$48.6 million of gross unrecognized tax benefits at December 31, 2018 and 2017, respectively. If recognized, \$19.7 million and \$23.4 million, respectively, of these amounts would impact our effective tax rate. Additionally, we had accrued interest and penalties of \$5.8 million and \$4.9 million at December 31, 2018 and 2017, respectively.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Our assets and liabilities measured or disclosed at fair value are summarized below (\$000's omitted):

Financial Instrument	Fair Value Hierarchy	Fair Value	
		December 31, 2018	December 31, 2017
Measured at fair value on a recurring basis:			
Residential mortgage loans available-for-sale	Level 2	\$ 461,354	\$ 570,600
Interest rate lock commitments	Level 2	9,035	5,583
Forward contracts	Level 2	(6,914)	(385)
Whole loan commitments	Level 2	(718)	(147)
Measured at fair value on a non-recurring basis:			
House and land inventory	Level 3	\$ 18,253	\$ 11,045
Land held for sale	Level 2	17,813	8,600
Disclosed at fair value:			
Cash and equivalents (including restricted cash)	Level 1	\$ 1,133,700	\$ 306,168
Financial Services debt	Level 2	348,412	437,804
Other notes payable	Level 2	41,313	20,024
Senior notes payable	Level 2	2,857,830	3,243,750

Fair values for agency residential mortgage loans available-for-sale are determined based on quoted market prices for comparable instruments. Fair values for non-agency residential mortgage loans available-for-sale are determined based on purchase commitments from whole loan investors and other relevant market information available to management. Fair values for interest rate lock commitments, including the value of servicing rights, and forward contracts on mortgage-backed securities are valued based on market prices for similar instruments. Fair values for whole loan commitments are based on market prices for similar instruments from the specific whole loan investor.

Certain assets are required to be recorded at fair value on a non-recurring basis when events and circumstances indicate that the carrying value may not be recoverable. The non-recurring fair value included in the above table represent only those assets whose carrying values were adjusted to fair value as of the respective balance sheet dates. See [Note 1](#) for a more detailed discussion of the valuation methods used for inventory.

The carrying amounts of cash and equivalents, Financial Services debt, Other notes payable and the Revolving Credit Facility approximate their fair values due to their short-term nature and floating interest rate terms. The fair values of the Senior notes payable are based on quoted market prices, when available. If quoted market prices are not available, fair values are based on quoted market prices of similar issues. The carrying value of the senior notes payable was \$3.0 billion at both December 31, 2018 and 2017.

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

11. Commitments and contingencies

Leases

We lease certain property and equipment under non-cancelable operating leases. The future minimum lease payments required under operating leases that have initial or remaining non-cancelable terms in excess of one year as of December 31, 2018, are as follows (\$000's omitted):

<u>Years Ending December 31,</u>		
2019	\$	24,806
2020		19,407
2021		16,146
2022		14,469
2023		12,800
Thereafter		25,868
Total minimum lease payments	\$	<u>113,496</u>

Net rental expense for 2018, 2017, and 2016 was \$33.6 million, \$30.8 million, and \$33.0 million, respectively. Certain leases contain renewal or purchase options and generally provide that we pay for insurance, taxes, and maintenance.

Loan origination liabilities

Our mortgage operations may be responsible for losses associated with mortgage loans originated and sold to investors in the event of errors or omissions relating to representations and warranties made by us that the loans met certain requirements, including representations as to underwriting standards, the existence of primary mortgage insurance, and the validity of certain borrower representations in connection with the loan. If a loan is determined to be faulty, we either indemnify the investor for potential future losses, repurchase the loan from the investor, or reimburse the investor's actual losses.

CTX Mortgage Company, LLC ("CTX Mortgage") was the mortgage subsidiary of Centex and ceased originating loans in December 2009. In the matter *Lehman Brothers Holdings, Inc. ("Lehman")* in the U.S. Bankruptcy Court in the Southern District of New York, Lehman has initiated an adversary proceeding against CTX Mortgage seeking indemnity for loans sold to it by CTX Mortgage prior to 2009. This claim is part of a broader action by Lehman in U.S. Bankruptcy Court against more than 100 mortgage originators and brokers. On August 13, 2018, the court denied a motion to dismiss filed by CTX Mortgage and other defendants, and on December 17, 2018, Lehman filed an amended adversary complaint against CTX Mortgage. Lehman's complaint alleges claims for indemnifiable losses of up to \$261 million due from CTX Mortgage. We believe that CTX Mortgage has meritorious defenses and CTX Mortgage will continue to vigorously defend itself in this matter. We have recorded a liability for an amount that we consider to be the best estimate within a range of potential losses.

In addition, both CTX Mortgage and Pulte Mortgage sold certain loans originated prior to 2009 to financial institutions for inclusion in residential mortgage-backed securities or other securitizations issued by such financial institutions. In connection with such sales, CTX Mortgage and Pulte Mortgage have been put on notice of potential direct and / or third-party claims for indemnification arising out of litigation relating to certain of these residential mortgage-backed securities or other securitizations. Neither CTX Mortgage nor Pulte Mortgage is named as a defendant in these actions. We cannot yet quantify CTX Mortgage's or Pulte Mortgage's potential liability as a result of these indemnification obligations. We do not believe, however, that these matters will have a material adverse impact on the results of operations, financial position, or cash flows of the Company.

Estimating the required liability for these potential losses requires a significant level of management judgment. During 2018, we increased our loan origination liabilities by \$16.1 million based on settlements or probable settlements of a number of claims related to loans originated by CTX Mortgage prior to 2009. Reserves provided (released) are reflected in Financial Services expenses. Changes in these liabilities were as follows (\$000's omitted):

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

Allowance for warranties

Home purchasers are provided with a limited warranty against certain building defects, including a one-year comprehensive limited warranty and coverage for certain other aspects of the home's construction and operating systems for periods of up to (and in limited instances exceeding) 10 years. We estimate the costs to be incurred under these warranties and record liabilities in the amount of such costs at the time product revenue is recognized. Factors that affect our warranty liabilities include the number of homes sold, historical and anticipated rates of warranty claims, and the projected cost of claims. We periodically assess the adequacy of the warranty liabilities for each geographic market in which we operate and adjust the amounts as necessary. Actual warranty costs in the future could differ from the current estimates.

Changes to warranty liabilities were as follows (\$000's omitted):

	2018	2017	2016
Warranty liabilities, beginning of period	\$ 72,709	\$ 66,134	\$ 61,179
Reserves provided	65,567	50,014	67,169
Payments	(64,525)	(58,780)	(55,892)
Other adjustments (a)	5,403	15,341	(6,322)
Warranty liabilities, end of period	<u>\$ 79,154</u>	<u>\$ 72,709</u>	<u>\$ 66,134</u>

(a) Includes a charge of \$12.4 million in 2017 related to estimated costs to complete repairs in a closed-out community in Florida.

Self-insured risks

We maintain, and require our subcontractors to maintain, general liability insurance coverage. We also maintain builders' risk, property, errors and omissions, workers compensation, and other business insurance coverage. These insurance policies protect us against a portion of the risk of loss from claims. However, we retain a significant portion of the overall risk for such claims either through policies issued by our captive insurance subsidiaries or through our own self-insured per occurrence and aggregate retentions, deductibles, and claims in excess of available insurance policy limits.

Our general liability insurance includes coverage for certain construction defects. While construction defect claims can relate to a variety of circumstances, the majority of our claims relate to alleged problems with siding, windows, roofing, and foundations. The availability of general liability insurance for the homebuilding industry and its subcontractors has become increasingly limited, and the insurance policies available require companies to maintain significant per occurrence and aggregate retention levels. In certain instances, we may offer our subcontractors the opportunity to purchase insurance through one of our captive insurance subsidiaries or participate in a project-specific insurance program provided by us. Policies issued by the captive insurance subsidiaries represent self-insurance of these risks by us. This self-insured exposure is limited by reinsurance policies that we purchase. General liability coverage for the homebuilding industry is complex, and our coverage varies from policy year to policy year. Our insurance coverage requires a per occurrence deductible up to an overall aggregate retention level. Beginning with the first dollar, amounts paid to satisfy insured claims apply to our per occurrence and aggregate retention obligations. Any amounts incurred in excess of the occurrence or aggregate retention levels are covered by insurance up to our purchased coverage levels. Our insurance policies, including the captive insurance subsidiaries' reinsurance policies, are maintained with highly-rated underwriters for whom we believe counterparty default risk is not significant.

At any point in time, we are managing over 1,000 individual claims related to general liability, property, errors and omission, workers compensation, and other business insurance coverage. We reserve for costs associated with such claims (including expected claims management expenses) on an undiscounted basis at the time revenue is recognized for each home closing and evaluate the recorded liabilities based on actuarial analyses of our historical claims. The actuarial analyses calculate estimates of the ultimate net cost of all unpaid losses, including estimates for incurred but not reported losses ("IBNR"). IBNR represents losses related to claims incurred but not yet reported plus development on reported claims.

Our recorded reserves for all such claims totaled \$737.0 million and \$758.8 million at December 31, 2018 and 2017, respectively, the vast majority of which relate to general liability claims. The recorded reserves include loss estimates related to both (i) existing claims and related claim expenses and (ii) IBNR and related claim expenses. Liabilities related to IBNR and related claim expenses represented approximately 65% of the total general liability reserves at December 31, 2018 and 2017. The actuarial analyses that determine the IBNR portion of reserves consider a variety of factors, including the frequency and

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

believe that the resolution of such matters will have a material adverse impact on our results of operations, financial position, or cash flows.

12. Supplemental Guarantor information

All of our senior notes are guaranteed jointly and severally on a senior basis by certain of our wholly-owned Homebuilding subsidiaries and certain other wholly-owned subsidiaries (collectively, the "Guarantors"). Such guaranties are full and unconditional. Our subsidiaries comprising the Financial Services segment along with certain other subsidiaries (collectively, the "Non-Guarantor Subsidiaries") do not guarantee the senior notes. In accordance with Rule 3-10 of Regulation S-X, supplemental consolidating financial information of the Company, including such information for the Guarantors, is presented below. Investments in subsidiaries are presented using the equity method of accounting.

CONSOLIDATING BALANCE SHEET
DECEMBER 31, 2018
(\$000's omitted)

	Unconsolidated			Eliminating Entries	Consolidated PulteGroup, Inc.
	PulteGroup, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries		
ASSETS					
Cash and equivalents	\$ —	\$ 906,961	\$ 203,127	\$ —	\$ 1,110,088
Restricted cash	—	22,406	1,206	—	23,612
Total cash, cash equivalents, and restricted cash	—	929,367	204,333	—	1,133,700
House and land inventory	—	7,157,665	95,688	—	7,253,353
Land held for sale	—	36,849	—	—	36,849
Residential mortgage loans available- for-sale	—	—	461,354	—	461,354
Investments in unconsolidated entities	—	54,045	545	—	54,590
Other assets	66,154	579,452	184,753	—	830,359
Intangible assets	—	127,192	—	—	127,192
Deferred tax assets, net	282,874	—	(7,295)	—	275,579
Investments in subsidiaries and intercompany accounts, net	7,557,245	500,138	8,231,342	(16,288,725)	—
	<u>\$ 7,906,273</u>	<u>\$ 9,384,708</u>	<u>\$ 9,170,720</u>	<u>\$(16,288,725)</u>	<u>\$ 10,172,976</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Liabilities:					
Accounts payable, customer deposits, accrued and other liabilities	\$ 90,158	\$ 1,598,265	\$ 278,713	\$ —	\$ 1,967,136
Income tax liabilities	11,580	—	—	—	11,580
Financial Services debt	—	—	348,412	—	348,412
Notes payable	2,986,753	40,776	537	—	3,028,066
Total liabilities	3,088,491	1,639,041	627,662	—	5,355,194
Total shareholders' equity	4,817,782	7,745,667	8,543,058	(16,288,725)	4,817,782
	<u>\$ 7,906,273</u>	<u>\$ 9,384,708</u>	<u>\$ 9,170,720</u>	<u>\$(16,288,725)</u>	<u>\$ 10,172,976</u>

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the year ended December 31, 2018
(\$000's omitted)

	Unconsolidated			Eliminating Entries	Consolidated PulteGroup, Inc.
	PulteGroup, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries		
Revenues:					
Homebuilding					
Home sale revenues	\$ —	\$ 9,694,703	\$ 123,742	\$ —	\$ 9,818,445
Land sale and other revenues	—	162,012	2,492	—	164,504
	—	9,856,715	126,234	—	9,982,949
Financial Services					
	—	—	205,382	—	205,382
	—	9,856,715	331,616	—	10,188,331
Homebuilding Cost of Revenues:					
Home sale cost of revenues	—	(7,449,343)	(91,594)	—	(7,540,937)
Land sale cost of revenues	—	(125,016)	(1,544)	—	(126,560)
	—	(7,574,359)	(93,138)	—	(7,667,497)
Financial Services expenses	—	(563)	(146,859)	—	(147,422)
Selling, general, and administrative expenses	—	(974,858)	(37,165)	—	(1,012,023)
Other expense, net	(580)	(53,765)	40,496	—	(13,849)
Intercompany interest	(7,835)	—	7,835	—	—
Income (loss) before income taxes and equity in income (loss) of subsidiaries	(8,415)	1,253,170	102,785	—	1,347,540
Income tax (expense) benefit	2,104	(304,218)	(23,403)	—	(325,517)
Income (loss) before equity in income (loss) of subsidiaries	(6,311)	948,952	79,382	—	1,022,023
Equity in income (loss) of subsidiaries	1,028,334	73,097	782,948	(1,884,379)	—
Net income (loss)	1,022,023	1,022,049	862,330	(1,884,379)	1,022,023
Other comprehensive income (loss)	100	—	—	—	100
Comprehensive income (loss)	\$ 1,022,123	\$ 1,022,049	\$ 862,330	\$ (1,884,379)	\$ 1,022,123

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

CONSOLIDATING STATEMENT OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
For the year ended December 31, 2016
(\$000's omitted)

	Unconsolidated			Eliminating Entries	Consolidated PulteGroup, Inc.
	PulteGroup, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries		
Revenues:					
Homebuilding					
Home sale revenues	\$ —	\$ 7,427,757	\$ 23,558	\$ —	\$ 7,451,315
Land sale and other revenues	—	41,642	2,447	—	44,089
	—	7,469,399	26,005	—	7,495,404
Financial Services	—	—	181,126	—	181,126
	—	7,469,399	207,131	—	7,676,530
Homebuilding Cost of Revenues:					
Home sale cost of revenues	—	(5,566,653)	(21,321)	—	(5,587,974)
Land sale cost of revenues	—	(30,156)	(1,959)	—	(32,115)
	—	(5,596,809)	(23,280)	—	(5,620,089)
Financial Services expenses	—	(533)	(108,040)	—	(108,573)
Selling, general, and administrative expenses	—	(907,748)	(49,402)	—	(957,150)
Other expense, net	(1,321)	(77,389)	21,842	—	(56,868)
Intercompany interest	(1,980)	—	1,980	—	—
Income (loss) before income taxes and equity in income (loss) of subsidiaries	(3,301)	886,920	50,231	—	933,850
Income tax (expense) benefit	1,254	(312,486)	(19,915)	—	(331,147)
Income (loss) before equity in income (loss) of subsidiaries	(2,047)	574,434	30,316	—	602,703
Equity in income (loss) of subsidiaries	604,750	58,078	457,716	(1,120,544)	—
Net income (loss)	602,703	632,512	488,032	(1,120,544)	602,703
Other comprehensive income (loss)	83	—	—	—	83
Comprehensive income (loss)	\$ 602,786	\$ 632,512	\$ 488,032	\$ (1,120,544)	\$ 602,786

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

CONSOLIDATING STATEMENT OF CASH FLOWS
For the year ended December 31, 2017
(\$000's omitted)

	Unconsolidated			Eliminating Entries	Consolidated PulteGroup, Inc.
	PulteGroup, Inc.	Guarantor Subsidiaries	Non-Guarantor Subsidiaries		
Net cash provided by (used in) operating activities	\$ 309,757	\$ 328,163	\$ 25,157	\$ —	\$ 663,077
Cash flows from investing activities:					
Capital expenditures	—	(25,432)	(6,619)	—	(32,051)
Investment in unconsolidated subsidiaries	—	(23,037)	—	—	(23,037)
Other investing activities, net	—	5,778	(932)	—	4,846
Net cash provided by (used in) investing activities	—	(42,691)	(7,551)	—	(50,242)
Cash flows from financing activities:					
Proceeds from debt, net of issuance costs	—	—	—	—	—
Repayments of debt	(123,000)	(10,301)	(1,446)	—	(134,747)
Borrowings under revolving credit facility	2,720,000	—	—	—	2,720,000
Repayments under revolving credit facility	(2,720,000)	—	—	—	(2,720,000)
Financial Services borrowings (repayments), net	—	—	106,183	—	106,183
Stock option exercises	27,720	—	—	—	27,720
Share repurchases	(916,323)	—	—	—	(916,323)
Dividends paid	(112,748)	—	—	—	(112,748)
Intercompany activities, net	814,594	(728,555)	(86,039)	—	—
Net cash provided by (used in) financing activities	(309,757)	(738,856)	18,698	—	(1,029,915)
Net increase (decrease)	—	(453,384)	36,304	—	(417,080)
Cash, cash equivalents, and restricted cash at beginning of year	—	611,185	112,063	—	723,248
Cash, cash equivalents, and restricted cash at end of year	\$ —	\$ 157,801	\$ 148,367	\$ —	\$ 306,168

PULTEGROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)

13. Quarterly results (unaudited)

UNAUDITED QUARTERLY INFORMATION
(000's omitted, except per share data)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total (a)
2018					
Homebuilding:					
Revenues	\$ 1,924,155	\$ 2,516,958	\$ 2,597,746	\$ 2,944,091	\$ 9,982,949
Cost of revenues (b)	(1,471,488)	(1,900,316)	(1,976,220)	(2,319,473)	(7,667,497)
Income before income taxes (c)	210,358	388,453	365,055	324,938	1,288,804
Financial Services:					
Revenues	\$ 45,938	\$ 52,764	\$ 51,620	\$ 55,059	\$ 205,382
Income before income taxes (d)	13,833	20,717	19,633	4,553	58,736
Consolidated results:					
Revenues	\$ 1,970,093	\$ 2,569,722	\$ 2,649,366	\$ 2,999,150	\$ 10,188,331
Income before income taxes	224,191	409,170	384,688	329,491	1,347,540
Income tax expense	(53,440)	(85,081)	(95,153)	(91,842)	(325,517)
Net income	\$ 170,751	\$ 324,089	\$ 289,535	\$ 237,649	\$ 1,022,023
Net income per share:					
Basic	\$ 0.59	\$ 1.12	\$ 1.01	\$ 0.84	\$ 3.56
Diluted	\$ 0.59	\$ 1.12	\$ 1.01	\$ 0.84	\$ 3.55
Number of shares used in calculation:					
Basic	286,683	285,276	283,489	278,964	283,578
Effect of dilutive securities	1,343	1,378	1,183	1,248	1,287
Diluted	288,026	286,654	284,672	280,212	284,865

- (a) Due to rounding, the sum of quarterly results may not equal the total for the year. Additionally, quarterly and year-to-date computations of per share amounts are made independently.
- (b) Cost of revenues includes land inventory impairments of \$66.9 million and net realizable value adjustments on land held for sale of \$9.0 million in the 4th Quarter. See Note 2 for a more complete discussion of land-related charges for the full year.
- (c) Homebuilding income before income taxes includes an insurance reserve reversal of \$37.9 million in the 2nd Quarter (see Note 11) and write-offs of pre-acquisition costs of \$9.6 million in the 4th Quarter (See Note 2).
- (d) Financial Services income before income taxes includes a charge related to loan origination liabilities of \$16.2 million in the 4th Quarter (see Note 11).

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of PulteGroup, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of PulteGroup, Inc. (the Company) as of December 31, 2018 and 2017, and the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2017, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2018, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 Framework) and our report dated January 31, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 1973.

Atlanta, Georgia
January 31, 2019

(b) Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of PulteGroup, Inc.

Opinion on Internal Control over Financial Reporting

We have audited PulteGroup, Inc.'s internal control over financial reporting as of December 31, 2018, based on criteria established in Internal Control- Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, PulteGroup, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2018 and 2017, the related consolidated statements of operations, comprehensive income, shareholders' equity and cash flows for each of the three years in the period ended December 31, 2018, and the related notes and our report dated January 31, 2019 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Atlanta, Georgia
January 31, 2019

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this Annual Report on Form 10-K:

(1) Financial Statements

<u>Consolidated Balance Sheets at December 31, 2018 and 2017</u>	<u>42</u>
<u>Consolidated Statements of Operations for the years ended December 31, 2018, 2017, and 2016</u>	<u>43</u>
<u>Consolidated Statements of Comprehensive Income for the years ended December 31, 2018, 2017, and 2016</u>	<u>44</u>
<u>Consolidated Statements of Shareholders' Equity for the years ended December 31, 2018, 2017, and 2016</u>	<u>45</u>
<u>Consolidated Statements of Cash Flows for the years ended December 31, 2018, 2017, and 2016</u>	<u>46</u>
<u>Notes to Consolidated Financial Statements</u>	<u>47</u>

(2) Financial Statement Schedules

All schedules are omitted because the required information is not present, is not present in amounts sufficient to require submission of the schedule, or because the required information is included in the financial statements or notes thereto.

(3) Exhibits

The following exhibits are filed with this Annual Report on Form 10-K or are incorporated herein by reference:

Exhibit Number and Description

- (3) (a) Restated Articles of Incorporation, of PulteGroup, Inc. (Incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K, filed with the SEC on August 18, 2009)
- (b) Certificate of Amendment to the Articles of Incorporation, dated March 18, 2010 (Incorporated by reference to Exhibit 3(b) of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010)
- (c) Certificate of Amendment to the Articles of Incorporation, dated May 21, 2010 (Incorporated by reference to Exhibit 3(c) of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2010)
- (d) Amended and Restated By-laws of PulteGroup, Inc. (Incorporated by reference to Exhibit 3.2 of our Current Report on Form 8-K, filed with the SEC on May 5, 2017)
- (e) Certificate of Designation of Series A Junior Participating Preferred Shares, dated August 6, 2009 (Incorporated by reference to Exhibit 3(b) of our Registration Statement on Form 8-A, filed with the SEC on August 18, 2009)
- (4) (a) Any instrument with respect to long-term debt, where the securities authorized thereunder do not exceed 10% of the total assets of PulteGroup, Inc. and its subsidiaries, has not been filed. The Company agrees to furnish a copy of such instruments to the SEC upon request.
- (b) Amended and Restated Section 382 Rights Agreement, dated as of March 18, 2010, between PulteGroup, Inc. and Computershare Trust Company, N.A., as rights agent, which includes the Form of Rights Certificate as Exhibit B thereto (Incorporated by reference to Exhibit 4 of PulteGroup, Inc.'s Registration Statement on Form 8-A/A, filed with the SEC on March 23, 2010)
- (c) First Amendment to Amended and Restated Section 382 Rights Agreement, dated as of March 14, 2013, between PulteGroup, Inc. and Computershare Trust Company, N.A., as rights agent (Incorporated by reference to Exhibit 4.1 of PulteGroup, Inc.'s Current Report on Form 8-K, filed with the SEC on March 15, 2013)
- (d) Second Amendment to Amended and Restated Section 382 Rights Agreement, dated as of March 10, 2016, between PulteGroup, Inc. and Computershare Trust Company, N.A., as rights agent (Incorporated by reference to Exhibit 4.1 of PulteGroup, Inc.'s Current Report on Form 8-K, filed with the SEC on March 10, 2016)

- (s) Form of Performance Award Agreement under PulteGroup, Inc. 2008 Senior Management Incentive Plan (Incorporated by reference to Exhibit 10(a) of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2012)*
- (t) PulteGroup, Inc. Executive Severance Policy (Incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed with the SEC on February 12, 2013)*
- (u) PulteGroup, Inc. Amended Retirement Policy (Effective November 30, 2017) (Incorporated by reference to Exhibit 10(u) of our Annual Report on Form 10-K for the year ended December 31, 2017)*
- (v) Second Amended and Restated Credit Agreement dated June 22, 2018 among PulteGroup, Inc., as Borrower, Bank of America, N.A., as Administrative Agent, and the other Lenders party thereto (Incorporated by reference to Exhibit 10.1 of PulteGroup, Inc.'s Current Report on Form 8-K, filed with the SEC on June 22, 2018)
- (w) Amended and Restated Master Repurchase Agreement dated September 4, 2015, among Comerica Bank, as Agent, Lead Arranger and a Buyer, the other Buyers party hereto and Pulte Mortgage LLC, as Seller (Incorporated by reference to Exhibit 10.1 of our Current Report on Form 8-K, filed with the SEC on September 8, 2015)
- (x) Second Amendment to Amended and Restated Master Repurchase Agreement dated June 24, 2016 (Incorporated by reference to Exhibit 10.1 of PulteGroup, Inc.'s Current Report on Form 8-K, filed with the SEC on June 29, 2016)
- (y) Third Amendment to Amended and Restated Master Repurchase Agreement dated August 15, 2016 (Incorporated by reference to Exhibit 10.1 of PulteGroup, Inc.'s Current Report on Form 8-K, filed with the SEC on August 17, 2016)
- (z) Fourth Amendment to Amended and Restated Master Repurchase Agreement dated December 27, 2016 (Incorporated by reference to Exhibit 10.1 of PulteGroup, Inc.'s Current Report on Form 8-K, filed with the SEC on December 29, 2016)
- (aa) Fifth Amendment to Amended and Restated Master Repurchase Agreement dated August 14, 2017 (Incorporated by reference to Exhibit 10.1 of PulteGroup, Inc.'s Current Report on Form 8-K, filed with the SEC on August 15, 2017)
- (ab) Letter Agreement, dated July 20, 2016, by and between Elliott Associates, L.P., Elliott International, L.P. and PulteGroup, Inc. (Incorporated by reference to Exhibit 10(d) of PulteGroup, Inc.'s Form 10-Q, filed with the SEC on July 21, 2016)
- (ac) Letter Agreement by and among William J. Pulte (grandson of the founder), William J. Pulte (founder), William J. Pulte Trust dtd 01/26/90, Joan B. Pulte Trust dtd 01/26/90 and PulteGroup, Inc., dated September 8, 2016 (Incorporated by reference to Exhibit 10.1 of PulteGroup, Inc.'s Current Report on Form 8-K, filed with the SEC on September 8, 2016)
- (ad) Transition Agreement by and between PulteGroup, Inc. and Richard J. Dugas, Jr., dated September 8, 2016 (Incorporated by reference to Exhibit 10.2 of PulteGroup, Inc.'s Current Report on Form 8-K, filed with the SEC on September 8, 2016)*
- (21) Subsidiaries of the Registrant (Filed herewith)
- (23) Consent of Independent Registered Public Accounting Firm (Filed herewith)
- (24) Power of Attorney (Filed herewith)
- (31) (a) Rule 13a-14(a) Certification by Ryan R. Marshall, President and Chief Executive Officer (Filed herewith)
- (b) Rule 13a-14(a) Certification by Robert T. O'Shaughnessy, Executive Vice President and Chief Financial Officer (Filed herewith)
- (32) Certification Pursuant to 18 United States Code § 1350 and Rule 13a-14(b) of the Securities Exchange Act of 1934 (Furnished herewith)

101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PULTEGROUP, INC.
(Registrant)

January 31, 2019

By: /s/ Robert T. O'Shaughnessy
Robert T. O'Shaughnessy
Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

January 31, 2019

<p style="text-align: center;"><u>/s/ Ryan R. Marshall</u> Ryan R. Marshall President and Chief Executive Officer (Principal Executive Officer) and Member of Board of Directors</p>	<p style="text-align: center;"><u>/s/ Robert T. O'Shaughnessy</u> Robert T. O'Shaughnessy Executive Vice President and Chief Financial Officer (Principal Financial Officer)</p>	<p style="text-align: center;"><u>/s/ James L. Ossowski</u> James L. Ossowski Senior Vice President, Finance (Principal Accounting Officer)</p>
<p>Brian P. Anderson</p>	<p>Member of Board of Directors }</p>	
<p>Bryce Blair</p>	<p>Non-Executive Chairman of Board of Directors }</p>	
<p>Richard W. Dreiling</p>	<p>Member of Board of Directors }</p>	
<p>Thomas J. Folliard</p>	<p>Member of Board of Directors }</p>	
<p>Cheryl W. Grisé</p>	<p>Member of Board of Directors }</p>	<p style="text-align: center;"><u>/s/ Robert T. O'Shaughnessy</u> Robert T. O'Shaughnessy</p>
<p>André J. Hawaux</p>	<p>Member of Board of Directors }</p>	<p>Executive Vice President and Chief Financial Officer</p>
<p>John R. Peshkin</p>	<p>Member of Board of Directors }</p>	
<p>Scott F. Powers</p>	<p>Member of Board of Directors }</p>	
<p>William J. Pulte</p>	<p>Member of Board of Directors }</p>	
<p>Lila Snyder</p>	<p>Member of Board of Directors }</p>	

Pulte Homes of PA, Limited Partnership	Michigan
Pulte Homes of Texas, L.P.	Texas
Pulte Homes of Washington, Inc.	Michigan
Pulte Homes Tennessee Limited Partnership	Nevada
Pulte Interiors, LLC	Michigan
Pulte Land Company, LLC	Michigan
Pulte Mortgage LLC	Delaware
Pulte Nevada I LLC	Delaware
Pulte Payroll Corporation	Michigan
Pulte Purchasing Corporation	Michigan
Pulte Realty Holding Company, LLC	Michigan
Pulte Realty Limited Partnership	Michigan
Pulte Texas Holdings, LLC	Michigan
Pulte/BP Murrieta Hills, LLC	California
Pulte Homes Tennessee, Inc.	Michigan
RN Acquisition 2 Corp.	Nevada
Terravita Home Construction Co.	Arizona
The Jones Company Building Services, LLC	Nevada

Certain subsidiaries have been omitted from this list. Such omitted subsidiaries, when considered in the aggregate as a single subsidiary, do not constitute a significant subsidiary as defined in Rule 1-02(w) of Regulation S-X.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints each of Ryan R. Marshall, Robert O'Shaughnessy, Todd N. Sheldon, and James Ossowski, signing singly, his true and lawful attorney-in-fact to:

1. Execute for and on behalf of the undersigned, in the undersigned's capacity as a director of PulteGroup, Inc. (the "Company"), the Annual Report on Form 10-K for the fiscal year ending December 31, 2018 ("Annual Report"), in accordance with the Securities Exchange Act of 1934, as amended, and the rules thereunder; and,
2. Do and perform any and all acts for and on behalf of the undersigned which may be necessary or desirable to complete and execute any such Annual Report, complete and execute any amendment or amendments thereto, and timely file such documents with the United States Securities and Exchange Commission and any stock exchange, stock market or similar authority; and,
3. Take any other action of any type whatsoever in connection with the foregoing which, in the opinion of such attorney-in-fact, may be of benefit to, and in the best interest of, or legally required by, the undersigned, it being understood that the documents executed by such attorney-in-fact on behalf of the undersigned pursuant to this Power of Attorney shall be in such form and shall contain such terms and conditions as such attorney-in-fact may approve in such attorney-in-fact's discretion.

The undersigned hereby grants to each such attorney-in-fact full power and authority to do and perform any and every act and thing whatsoever requisite, necessary, or proper to be done in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as the undersigned might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that such attorney-in-fact, or such attorney-in-fact's substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. The undersigned acknowledges that the foregoing attorneys-in-fact, in serving in such capacity at the request of the undersigned, are not assuming, nor is the Company assuming, any of the undersigned's responsibilities to comply with any rule of the Securities Exchange Act of 1934, as amended.

This Power of Attorney shall remain in full force and effect until the undersigned is no longer required to sign the Annual Report on Form 10-K with respect to the undersigned's role as a director of the Company, unless earlier revoked by the undersigned in a signed writing delivered to the foregoing attorneys-in-fact.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 6th day of December, 2018.

/s/ Brian P. Anderson

Brian P. Anderson

/s/ Bryce Blair

Bryce Blair

/s/ Richard W. Dreiling

Richard W. Dreiling

/s/ Thomas J. Folliard

Thomas J. Folliard

/s/ Cheryl W. Grisé

Cheryl W. Grisé

/s/ André J. Hawaux

André J. Hawaux

/s/ John R. Peshkin

John R. Peshkin

/s/ Scott F. Powers

Scott F. Powers

/s/ William J. Pulte

William J. Pulte

/s/ Lila J. Snyder

Lila J. Snyder

CHIEF FINANCIAL OFFICER'S CERTIFICATION

I, Robert T. O'Shaughnessy, certify that:

1. I have reviewed this annual report on Form 10-K of PulteGroup, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 31, 2019

/s/ Robert T. O'Shaughnessy

Robert T. O'Shaughnessy
Executive Vice President and
Chief Financial Officer

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BOARD OF DIRECTORS, SENIOR LEADERSHIP AND AREA & DIVISION MANAGEMENT

BOARD OF DIRECTORS

Brian P. Anderson (1)(4)
*Former Chief Financial Officer
Baxter International Inc.*

Bryce Blair (5)
*Former Chairman of the Board
and Chief Executive Officer
AvalonBay Communities, Inc.*

Richard W. Dreiling (2)(3)
*Former Chairman of the Board
and Chief Executive Officer
Dollar General Corporation*

Thomas J. Folliard (1)(4)
*Former President and
Chief Executive Officer
CarMax, Inc.*

Cheryl W. Grisé (2)(3)
*Former Executive
Vice President
Northeast Utilities (now
Eversource Energy)*

André J. Hawaux (1)(4)
*Former Executive Vice
President and Chief
Operating Officer Dick's
Sporting Goods, Inc.*

Ryan R. Marshall (4)
*President and Chief
Executive Officer
PulteGroup, Inc.*

John R. Peshkin (1)(4)
*Founder and Managing
Partner
Vanguard Land, LLC.*

Scott F. Powers (2)(3)
*Former President and Chief
Executive Officer State
Street Global Advisors*

William J. Pulte (2)(3)
*Chief Executive Officer Pulte
Capital Partners, LLC.*

Lila Snyder (1)(4)
*Executive Vice President and
President of Commercial
Services
Pitney Bowes, Inc.*

- (1) Audit Committee Member
- (2) Compensation and Management Development Committee Member
- (3) Nominating and Governance Committee Member
- (4) Finance and Investment Committee Member
- (5) Non-Executive Chairman

SENIOR LEADERSHIP

Ryan R. Marshall
*President and Chief Executive
Officer*

John J. Chadwick
*Executive Vice President and
Chief Operating Officer*

Robert T. O'Shaughnessy
*Executive Vice President and
Chief Financial Officer*

Todd N. Sheldon
*Executive Vice President,
General Counsel and
Corporate Secretary*

Michelle Hairston
*Senior Vice President,
Human Resources*

James L. Ossowski
*Senior Vice President,
Finance*

Stephen P. Schlageter
*Senior Vice President,
Operations and Strategy*

Anthony W. Barbee
Area President, North Area

Brandon K. Jones
*Area President, Southeast
Area*

Peter J. Keane
Area President, Florida Area

Stephen V. Teodecki
Area President, Texas Area

Scott R. Wright
Area President, West Area

Joseph L. Drouin
*Vice President, Chief
Information Officer*

Kimberly M. Hill
*Vice President, Tax and
Assistant Secretary*

D. Bryce Langen
Vice President and Treasurer

Brien P. O'Meara
Vice President and Controller

Manish M. Shrivastava
*Vice President, Chief
Marketing Officer*

James P. Zeumer
*Vice President, Investor
Relations and Corporate
Communications*

Debra W. Still
*President and Chief Executive
Officer Pulte Financial
Services*

1 handled the warranty team in Hilton
2 Head, in the Hilton Head market. I
3 believe I was called the warranty
4 manager.
5 Q: And how many years, or how long were you
6 at that position?
7 A: I had different variations of that title
8 from 2001 until about '16, 2016.
9 Q: So, about sixteen years?
10 A: Yeah.
11 Q: Fifteen, sixteen years?
12 A: And there was one year I was process
13 improvement manager for Centex back in
14 '07, maybe.
15 Q: Okay. And what were you before the
16 warranty manager, if anything?
17 A: Nothing.
18 Q: Nothing. Okay. So, you started with
19 Centex about 2000?
20 A: 2001.
21 Q: 2001? Have I covered all your positions
22 that you've had with Centex?
23 A: To the best of my knowledge, you have.
24 Q: Okay. I don't want to know your
25 conversations with your attorneys, but

CP-26 REPORTING

Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-MAIL: melissadecker@sc.rr.com
ROA 2745



1 do you know why you've been chosen as
2 the 30(b)(6) designee today?
3 A: I, I believe that I've been chosen
4 because I have the most tenure from the
5 old days at Centex, so, but we, Centex
6 merged with Pulte in 2009.
7 Q: So, from 2009, you've been an employee
8 of Pulte?
9 A: Of one of their subsidiaries.
10 Q: One of their subsidiaries?
11 A: Right. I believe I'm still a Del Webb
12 Communities employee.
13 Q: Okay. Tell me what that means.
14 A: Okay. So, Pulte, themselves ---
15 Q: Uh-huh (affirmative response).
16 A: --- purchased Del Webb Communities in
17 '04, merged with Del Webb Communities.
18 So, in 2009, they purchased, or merged
19 with Centex.
20 Q: Okay.
21 A: So, Pulte Group is the holding company
22 that holds all these small, but large
23 subsidiaries.
24 Q: So, under Pulte's umbrella, if you will
25 ---

CP-26 REPORTING

Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-MAIL: melissadecker@sc.rr.com

ROA 2746

1 A: Yes.

2 Q: --- would be Centex?

3 A: Yes.

4 Q: And the Del Webb group?

5 A: Yes.

6 Q: And you believe that you fall under the

7 Del Webb group?

8 A: Yes.

9 Q: All right. So, who did you work for

10 from 2001 until 2009?

11 A: Centex Homes.

12 Q: Centex Homes?

13 A: Yes.

14 Q: And, then, from 2009, when there was a

15 merger between Centex Homes and Pulte,

16 who did you work for?

17 A: I worked for the Pulte group, but I was

18 always paid by Del Webb Communities,

19 which was just a subsidiary.

20 Q: Okay. And I call it Del Webb Group, but

21 you're calling it Del Webb Communities?

22 A: Its Del Webb Communities, Inc.

23 Q: All right. Let's talk a little bit

24 about Centex's history in Horry County.

25 And, let me ask you, first: Have you

CP-26 REPORTING

Melissa M. Decker, Court Reporter
PHONE: (843) 446-1691
E-Mail: mj@adecker@sc.rr.com

ROA 2747

WEDGEWOOD CONDOMINIUM OWNER'S ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS

April 19, 2005

MINUTES

I. **OPENING OF MEETING:**

The Regular Meeting of the Board of Directors was called to order at 3:15 P.M. in the Barefoot Resort Residential Clubhouse, Barefoot Resort, N. Myrtle Beach, South Carolina.

Board members present in person were Randall Spencer and Jerome Grant. Also present were CCMC representatives Jim Finn, Community Manager, and Jeanne Bogart, Administrative Coordinator.

Randall Spencer, Vice President of the Association, served as Chairman of the meeting and Jeanne Bogart of CCMC served as Recording Secretary of the meeting.

Randall Spencer introduced the Board of Directors and explained that ~~there~~ presently the Board consisted of only two members. This is due to the fact that two other individuals resigned their positions because their units were sold. Mr. Spencer then gave a brief history of the Association. Mr. Spencer further stated that this meeting would serve as a Regular Meeting of the Board of Directors instead of the Third Annual Member's Meeting due to the fact that a quorum of homeowners was not reached either by those present or in proxy. Another Annual Members Meeting will be scheduled.

II. **MANAGEMENT REPORTS:**

A. **Current Financial Statement** – Jim Finn Presented both the December 2004 Financial Report and the March 2005 Financial Report. Mr. Finn also stated that a Draft of the Association's Audit was due shortly for the Board's review.

Randall Spencer asked Jim Finn if he was comfortable with the Reserve Funding. Mr. Finn replied that it is recommended that a Reserve Study be done at the Association's five year mark (2006). Mr. Finn further explained that the original Reserves were determined with help from Centex.

B. **Accounts Receivable** – Jeanne Bogart reported that:

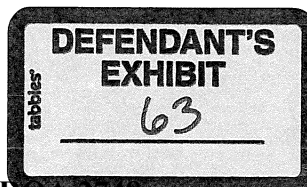
7 units are 30 days delinquent

1 unit is 60 days delinquent

7 units are 90 days delinquent

C. **Work Order Report** – Jim Finn presented a copy of a Property Inspection Sheet dated March 4, 2005 to the Board.

Jim McGrath reported that the pool furniture was in the process of being restrapped. Half of the furniture is being done at a time so that there would be some furniture available at all times.



Jim Finn stated that he has received bids to have the buildings power washed. Jim McGrath stated that the caulking around the windows is going bad, causing leaks. Jim Finn will get bids to repair caulking.

A discussion ensued ^{regarding} the status of the carpets in the building. Many are mildew-stained. Jim Finn stated that he has a bid from a company who uses a three-step process which includes treating the carpets with a mildicide. This bid was for \$150.00 per building. The company claims that this process will last for 3 – 6 months. Randall Spencer asked if there is enough money in the budget for this. Jim Finn assured Mr. Spencer that there was. Jerome Grant inquired into the expected life of the carpets. Mr. Finn stated that the carpets are listed in the Reserve Study as having an expected life of 7 years.

MOTION Jerome Grant made a motion to have the carpets cleaned using the company and the process outlined by Jim Finn for \$150.00 per building.
SECONDED Randall Spencer
VOTE Unanimous
MOTION CARRIED.

Jim McGrath stated that the water fountain at the pool needs to be repaired.

Jim Finn stated that last year the windows were cleaned. He has received a bid to have the windows washed this year for \$2,250.00. This is scheduled to begin on May 9, 2005. A letter will be sent to all homeowners explaining the procedures. The sliders will not be done.

III. UNFINISHED BUSINESS:

- A. **Property Inspections** – Jim Finn stated that Wedgewood's contract with CCMC calls for a property inspection to be completed once a month. Mr. Finn stated that he will be doing a property inspection twice a month.
- B. **Sidewalks** – It has been noticed that there are bare spots near the bushes. This is due to the fact that people use these areas as shortcuts to walk from the parking lots to the stairwells. The Board has requested that decorative stepping stones be placed there. Jim McGrath will take care of this.
- C. **Landscaping** – Jim Finn stated that he will be walking the grounds with the Landscaping Contractor to decide what needs to be replaced, etc. He will report the findings back to the Board.

IV. NEW BUSINESS

- A. **Updates** – Randall Spencer requested that Jim Finn inquire into whether or not Brad Goulding would be able to attend the next Annual Members Meeting. Mr. Spencer thought it would be a good idea if Mr. Goulding were present to make a presentation on the amenities that are in process for Barefoot Resort Residents. Jim Finn will contact Mr. Goulding as to his availability.
- B. **Multi-Family Website** - Jeanne Bogart reported that Centex homes is creating a website for multi-family residents. It will contain information about Barefoot Resort and the Associations. The cost per Association will be \$10.00 per month per Association to participate.

MOTION Randall Spencer made a motion to participate in the Multi-Family Website
 (At a cost of \$10.00 per month.
SECONDED Jerome Grant
VOTE Unanimous
MOTION CARRIED.

C. **Unexpired Term of One Director's Seat** – Randall Spencer stated that the seat vacated by John Kidd due to the selling of his unit needs to be filled. This seat has one more year left on it's term.

MOTION Randall Spencer made a motion to appoint Jim Cirulli to the unexpired
 Director's Seat vacated by John Kidd for the remainder of the Term (1
 year).
SECONDED Jerome Grant
VOTE Unanimous
MOTION CARRIED.

D. **Umbrellas for Pool Area** – Randall Spencer asked if umbrellas would be available in the pool area this season. Jim McGrath assured the Board that they would be.
E. **Member's Comments** – Mrs. Grant stated that she is impressed with the way the buildings are kept up at Wedgewood, especially since Wedgewood is the oldest Association at Barefoot Resorts. Randall Spencer thanked Mrs. Grant for her comments and her vote of confidence in the Board.

V. **SCHEDULE NEXT MEETING DATE:**

The next Regular Meeting of the Board of Directors is scheduled for Friday, July 22, 2005 at 3:00 P.M. Location to be determined. The Third Annual Members' Meeting is rescheduled for Friday, June 10, 2005 at 3:00 P.M.

VI. **ADJOURNMENT:**

With no further business to discuss

MOTION Randall Spencer made a motion to adjourn at 4:15 P.M.
SECONDED Jerome Grant
VOTE Unanimous
MOTION CARRIED.

Respectfully Submitted:

Jeanne Bogart, Recording Secretary

Accepted:

Randall Spencer, Vice President

Date Approved & Signed

WEDGEWOOD CONDOMINIUM OWNER'S ASSOCIATION

REGULAR MEETING OF THE BOARD OF DIRECTORS

October 28, 2006

MINUTES

I. OPENING OF MEETING:

The Regular Meeting of the Board of Directors was called to order at 10:55 A.M. at the Barefoot Resort Fire Station, 4740 Barefoot Resort Bridge Road, North Myrtle Beach, South Carolina.

Board members present in person were Randall Spencer, Tatyana Sallee, William Carey, Jerome Grant and Teresa D'Arcy. Also present were Chicora Association Management representative Chuck Gornick, Community Manager and Jeanne Bogart, Administrative Coordinator.

Randall Spencer, President of the Association, served as Chairman of the meeting and Jeanne Bogart of Chicora Association Management served as Recording Secretary of the meeting.

II. APPROVAL OF MINUTES:

The Minutes from the Regular Meeting of the Board of Directors held on July 1, 2006 were presented.

MOTION Tatyana Sallee made a motion to accept the Minutes of the Regular Meeting of the Board of Directors held on July 1, 2006 as submitted.
SECONDED Jerome Grant
VOTE Unanimous
MOTION CARRIED.

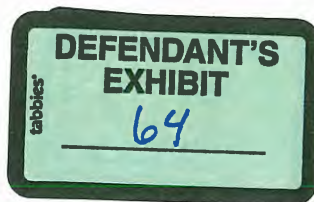
III. Management/Financial Report

A. September 2006 Financial Statement

Chuck Gornick presented the September 2006 Financial Statement. Mr. Gornick stated that there is a negative variance in *Maintenence and Building Repairs* due to the repairs to Building 1. Mr. Gornick further stated that the water consumption for Building 3 seems to be high, but he will keep an eye on it. A refund has been received from Horry Telephone Co-operative.

Chuck Gornick recommended that some funds be moved from the Operating Account to the Reserve Account.

MOTION Tatyana Sallee made a motion to move \$20,000.00 from the Operating Account to the Reserve Account then transfer \$50,000.00 from the Reserves to a CD.
SECONDED Teresa D'Arcy
VOTE Unanimous
MOTION CARRIED.



Matter: Wedgewood
Origin: 2006-2008 Meeting Mins
000016

B. Delinquency Report

Jeanne Bogart presented the Delinquency Report. There are:

- 5 units at 30 days
- 1 unit at 60 days
- 1 unit at 90 days

C. Work Order Report

Chuck Gornick reviewed the Work Order Report. Mr. Gornick stated that exterior pest control had been placed in the Budget, but the contract was not signed last year, therefore the service was not done. Mr. Gornick further stated that he will make sure that this is followed up on.

IV. UNFINISHED BUSINESS

A. Status on Cleaning Hallway Carpets

A discussion ensued regarding the condition of the hallway carpeting. Most agreed that the carpet is still in good shape, it just needs to be cleaned. The Board agreed to have the carpets spot cleaned now and then cleaned in the Spring in conjunction with the power washing of the buildings.

B. Update to Repairs on Buildings 1, 9 and 8

Chuck Gornick stated that the repairs to Building 1 have been completed, Building 9 is finishing up and Building 8 will be next. Mr. Gornick stated that it appears that in windows that are double and triple hung, there is a gap at the top of the strip between the windows. It is believed that this is where the leaking is occurring. Mr. Gornick recommended having an engineering expert look at these windows to try and determine if this is a Centex problem. The Board recommended notifying Centex that an expert would be looking at the windows. Chuck Gornick stated that he would keep the Board posted on all developments.

Teresa D'Arcy stated that the paint that was recently applied to the columns at Building 1 is not adhering. Chuck Gornick stated that he would inspect this.

C. Update on the Cleaning of Buildings and Mail Center

A discussion ensued regarding the condition of the buildings. The Board expressed their displeasure with the appearance of the buildings. A quote has been received from a new cleaning service. Teresa D'Arcy inquired into whether or not the new company would spot clean the rugs. Chuck Gornick stated that he would check on this.

MOTION Teresa D'Arcy made a motion to accept the bid from Harriett's Cleaning Service for the maintenance of the buildings to be started as soon as possible.

SECONDED Tatyana Sallee

VOTE Unanimous

MOTION CARRIED.

The Board requested that the management company inquire into the replacement of the numbered slot coverings on the doors of the mailboxes.

D. Master Deed Compliance with Insurance Requirements

Chuck Gornick stated that he is still waiting on language from a Board member of another Association.

E. Replacement of Outside Door Lights

Tatyana Sallee presented several samples of outdoor lights to the Board. After discussion, the Board made a decision on which light would be used to replace the lights on the outside of each unit's front door. Chuck Gornick stated that he would attempt to get a price break due to the quantity that would have to be purchased.

MOTION Jerome Grant made a motion to purchase the outside front door lights chosen by the Board at the best price obtainable.

SECONDED Teresa D'Arcy

VOTE Unanimous

MOTION CARRIED.

Homeowners would be notified through a newsletter that the Association will be doing this even though it is the homeowner's responsibility.

V. NEW BUSINESS:

A. Organizational Meeting

A discussion was held regarding the various Board positions.

MOTION Teresa D'Arcy made a motion for the Board to retain the same positions for 2007.

SECONDED William Carey

VOTE Unanimous

MOTION CARRIED.

B. Windows

Randall Spencer stated that he has discovered that the windows have a 20 year warranty and the manufacturer will replace windows with broken seals at no charge, if the owner is still an original owner. If it is not an original owner, there is a nominal charge. Owners are asked to call Stock Building Supply for information. Chuck Gornick stated that owners may phone the management office for additional information.

C. Compactor

Chuck Gornick stated that he was in the process of obtaining additional quotes on the compactor service. The new cleaning service will be responsible for contacting the compactor company when service is needed.

D. Air Conditioner Drains

A discussion ensued regarding the recent problem experienced in Building 1 when an air conditioning drain was clogged and caused extensive damage to three units. The Board recommended that owners have the air conditioning serviced regularly to avoid this problem. A reminder will be put in the newsletter. The Board wished to also emphasize that an owner may be held liable for damages caused to other units through neglect. Chuck Gornick stated that owners may phone the management office for additional information.

E. 2007 Proposed Budget

Chuck Gornick presented the 2007 Proposed Budget. Mr. Gornick stated that the Residential Association fee will probably increase by 44.00/unit/month, but the Joint Committee and Beach Cabana Fees should remain the same.

MOTION Tatyana Sallee made a motion to accept the 2007 Proposed Budget with increase of \$4.00/unit/door for the Residential Association.

SECONDED Jerome Grant

VOTE Unanimous

MOTION CARRIED.

F. 2007 Management Contract

Chuck Gornick presented the 2007 Management Contract. Randall Spencer stated that he was not please with the way the buildings have been maintained.

MOTION Tatyana Sallee made a motion to accept the 2007 Management Contract.

SECONDED William Carey

VOTE Unanimous

MOTION CARRIED.

VI. SCHEDULE NEXT MEETING:

The next meeting is scheduled for Friday, February 9, 2007 at 3:00 P.M.

VII. ADJOURNMENT:

With no further business to discuss

MOTION Teresa D'Arcy made a motion to adjourn the meeting at 1:05 P.M.

SECONDED Jerome Grant

VOTE Unanimous

MOTION CARRIED.

Respectfully Submitted:

Jeanne Bogart
Jeanne Bogart, Recording Secretary

Accepted:

Randall Spencer
Randall Spencer, President

2-9-07
Date Approved & Signed

Invoice Number	Invoice Date	Voucher	Entity	Account	Invoice Amount
140	07/01/10	00342528	424 Wedgewood	0910 GENERAL CAPITAL	7,405.00

07/23/2010

Check 42401 001929

7,405.00





Wedgewood Ext. Trim

7/13/10

INVOICE

140

Description	Amount Due
<p>Initial material draw for exterior trim replacement in Wedgewood. Note quantities below.</p> <ul style="list-style-type: none"> • One (1) full unit, 1x4 Cemplank • One (1) full unit, 1x6 Cemplank • One (1) full unit, 1x8 Cemplank <p>All work done in accordance with previously discussed and accepted scope of work.</p> <p><i>Draw for Trim wood replacement</i></p>	<p>\$ 7,405.00</p> <p>APPROVED FOR PAYMENT</p> <p>ASSOC. <u>WW 424</u></p> <p>ACCT. # <u>910</u></p> <p>AUTHORIZED BY <u>M</u></p> <p>DATE / BATCH # _____</p> <p>CHECK / VENDOR # _____</p>
<p>Total.....</p>	<p>\$ 7,405.00</p>
<p>Payment Due Date: net 30 days</p>	



PO Box 2145 • North Myrtle Beach, South Carolina, 29598
 PH: (843) 241-1979 • ghausfeld@att.blackberry.net

<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Voucher</u>	<u>Entity</u>	<u>Account</u>	<u>Invoice Amount</u>
145	08/10/10	00345799	424 Wedgewood	0910 GENERAL CAPITAL	16,975.00

08/20/2010

Check 42451 001007

16,975.00



Wedgewood Ext. Trim

8/10/10

INVOICE

145

Description	Amount Due
<p>Second (2nd) material draw for exterior trim replacement in Wedgewood. Note quantities below.</p> <ul style="list-style-type: none"> • Three (3) full units, 1x4 Cemplank • Two (2) full units, 1x6 Cemplank • Two (2) full units, 1x8 Cemplank <p>All work done in accordance with previously discussed and accepted scope of work.</p>	<p>\$ 16,975.00</p> <p style="text-align: center;">ENTERED</p>
<p>Total.....</p>	<p>\$ 16,975.00</p>
<p>APPROVED FOR PAYMENT</p> <p>ASSOC. <u>WW 424</u></p> <p>ASSOCI. # <u>910 Siding Trim work work</u></p> <p>AUTHORIZED BY <u>[Signature]</u></p> <p>DATE / SIGNATURE _____</p> <p>CHECK / VENDOR # _____</p> <p>Payment Due Date: net 30 days</p>	

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ROA 2758

Waccamaw - Wedgewood 004827

The Wedgewood Condominium Association, Inc.

SHOME GREG HAUSFELD

Invoice Number	Invoice Date	Voucher	Entity	Account	Invoice Amount
10-151	09/20/10	00348971	424 Wedgewood	0910 GENERAL CAPITAL	12,000.00

09/24/2010

Check 42451 001009

12,000.00



Wedgewood Ext. Trim

9/20/10

INVOICE

10-151

Description	Amount Due
<p>Third (3rd) draw for exterior trim replacement (material & labor) in Wedgewood. Note breakdown below.</p> <ul style="list-style-type: none"> • Wedgewood Building #1 (trim & paint) • Wedgewood Building #2 (trim & paint) • Wedgewood Building #3 (trim & paint) <p>All work done in accordance with previously discussed and accepted scope of work.</p> <p> <i>ww 424</i> <i>090</i> <i>M</i> </p>	<p>\$ 12,000.00</p> <p>ENTERED</p> <p><i>Trim work from Reserves</i></p>
<p>Total.....</p>	<p>\$ 12,000.00</p>
<p>Payment Due Date: net 30 days</p>	

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PH: (843) 241-1979 • ghausfeld@att.blackberry.net

The Wedgewood Condominium Association, Inc.

GHHOME GREG HAUSFELD

<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Voucher</u>	<u>Entity</u>	<u>Account</u>	<u>Invoice Amount</u>
10-153	10/07/10	00351480	424 Wedgewood	0910 GENERAL CAPITAL	16,284.00

10/15/2010

Check 42451 001010

16,284.00



Wedgewood Ext. Trim

10/7/10

INVOICE
10-153

Description	Amount Due
<p>Fourth (4th) draw for exterior trim replacement (material & labor) in Wedgewood. Note breakdown below.</p> <ul style="list-style-type: none"> • Wedgewood Building #4 (trim & paint) • Wedgewood Building #5 (trim & paint) • Wedgewood Building #6 (trim & paint) <p>All work done in accordance with previously discussed and accepted scope of work.</p>	<p>\$ 16,284.00</p>
<p>Total.....</p> <p>W.W. 424 901 0910 M</p> <p>Payment Due Date: net 30 days</p>	<p>\$ 16,284.00</p>

Reserves
Trim work

\$ 16,284.00

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PH: (843) 241-1979 • ghausfeld@att.blackberry.net



Wedgewood Ext. Trim

11/1/10

INVOICE

10-161

Description	Amount Due
<p>Fourth (5th) draw for exterior trim replacement (material & labor) in Wedgewood. Note breakdown below.</p> <ul style="list-style-type: none"> • Wedgewood Building #7 (trim & paint) • Wedgewood Building #8 (trim & paint) <p>All work done in accordance with previously discussed and accepted scope of work.</p>	<p>\$ 18,700.00</p> <p style="text-align: right;">ENTERED WW 424 0910 M Z</p>
<p>Total.....</p> <p style="text-align: center;">Reserves Trim work</p> <p>Payment Due Date: net 30 days</p>	<p>\$ 18,700.00</p>

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The Wedgewood Condominium Association

GHHOME GREG HAUSFELD

<u>Invoice Number</u>	<u>Invoice Date</u>	<u>Voucher</u>	<u>Entity</u>	<u>Account</u>	<u>Invoice Amount</u>
10-165	12/06/10	00357820	424 Wedgewood	0910 GENERAL CAPITAL	14,836.00

12/17/2010

Check 42451 001012

14,836.00




Wedgewood Ext. Trim

12/6/10

INVOICE

10-165

Description	Amount Due
<p>Sixth (6th) draw (final) for exterior trim replacement (material & labor) in Wedgewood. Note breakdown below.</p> <ul style="list-style-type: none"> • Wedgewood Building #9 (trim & paint) • Wedgewood general expenditures (trash removal & permit fees) <p>All work done in accordance with previously discussed and accepted scope of work.</p> <p>WW 424 0910 7</p>	<p>\$ 14,836.00</p> <p></p> <p><u>Trim work</u></p> <p>\$ 14,836.00</p>
<p>Total.....</p> <p>Payment Due Date: net 30 days</p>	

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ROA 2765

Waccamaw - Wedgewood 004955

The Wedgewood Condominium Association, Inc.

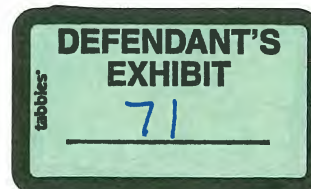
GHHOME GREG HAUSFELD

Invoice Number	Invoice Date	Voucher	Entity	Account	Invoice Amount
12-005	01/12/12	00393825	424 Wedgewood	0910 GENERAL CAPITAL	12,595.00

01/20/2012

Check 42451 001013

12,595.00



Waccamaw - Wedgewood 040030


ROA 2766



Wedgewood Ceilings, Bldg. #1-9
North Myrtle Beach, SC 29582

DATE
 1/12/12

INVOICE
 12-005

Description	Amount Due
<p>Corridor ceiling refinishing work at Wedgewood, Buildings #1-9 to include the following:</p> <ul style="list-style-type: none"> Remove existing damaged drywall (as needed) in all breezeway corridor ceilings, remove (cut out) tape at all drywall joints in ceilings, scrape all loose material in ceilings Remove existing damaged MirTec trim boards (as needed) in all breezeway corridor ceilings Provide/hang/tape/finish new drywall (as needed) in ceilings (total 12 sheets) Tape/finish all drywall joints, point-up/finish all deficiencies in breezeway ceilings Caulk all existing trim/drywall intersections in breezeway ceilings Provide/install new Hardee board trim in damaged areas in breezeway ceilings (total 18 boards) Prime all breezeway ceilings (material and labor), entire area Finish paint all breezeway ceilings (material and labor), entire area Finish paint all new Hardee board trim in breezeway ceilings All equipment/cleanup included. <p>All work done in accordance with previously agreed upon scope of work.</p> <p>Total Due.....</p> <p>Payment Due Date: upon receipt</p>	<div style="text-align: right;">  </div> <p>APPROVED FOR PAYMENT</p> <p>ASSOC. <u>WW 424</u></p> <p>ACCT. # <u>090</u></p> <p>AUTHORIZED BY <u>M</u></p> <p>DATE / BATCH # _____</p> <p>CHECK / VENDOR # _____</p> <p style="font-size: 2em; text-align: center;"><i>Hall Ceiling Reserves</i></p> <p style="text-align: center;">\$ 12,595.00</p>

"Your complete satisfaction is our #1 concern"

PO Box 2145 • North Myrtle Beach, South Carolina, 29598

Waccamaw - Wedgewood 040031

ROA 2767

The Wedgewood Condominium Association, Inc.

GHHOME GREG HAUSFELD

Invoice Number	Invoice Date	Voucher	Entity	Account	Invoice Amount
12-005	01/12/12	00393825	424 Wedgewood	0910 GENERAL CAPITAL	12,595.00

01/20/2012

Check 42451 001013

12,595.00






Wedgewood Ceilings, Bldg. #1-9
North Myrtle Beach, SC 29582

DATE
 1/12/12

INVOICE
 12-005

Description	Amount Due
<p>Corridor ceiling refinishing work at Wedgewood, Buildings #1-9 to include the following:</p> <ul style="list-style-type: none"> Remove existing damaged drywall (as needed) in all breezeway corridor ceilings, remove (cut out) tape at all drywall joints in ceilings, scrape all loose material in ceilings Remove existing damaged MirTec trim boards (as needed) in all breezeway corridor ceilings Provide/hang/tape/finish new drywall (as needed) in ceilings (total 12 sheets) Tape/finish all drywall joints, point-up/finish all deficiencies in breezeway ceilings Caulk all existing trim/drywall intersections in breezeway ceilings Provide/install new Hardee board trim in damaged areas in breezeway ceilings (total 18 boards) Prime all breezeway ceilings (material and labor), entire area Finish paint all breezeway ceilings (material and labor), entire area Finish paint all new Hardee board trim in breezeway ceilings All equipment/cleanup included. <p>All work done in accordance with previously agreed upon scope of work.</p> <p>Total Due.....</p> <p>Payment Due Date: upon receipt</p>	<div style="text-align: right;">  </div> <p>APPROVED FOR PAYMENT ASSOC. <u>WW 424</u> ACCT. # <u>090</u> AUTHORIZED BY <u>M</u> DATE / BATCH # _____ CHECK / VENDOR # _____</p> <p style="font-size: 2em; text-align: center;"><i>Hall Ceiling Reserves</i></p> <p style="text-align: center;">\$ 12,595.00</p>

"Your complete satisfaction is our #1 concern"

PO Box 2145 • North Myrtle Beach, South Carolina, 29598

Waccamaw - Wedgewood 040031

ROA 2769

THE WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

REGULAR MEETING OF THE BOARD OF DIRECTORS

August 9, 2013

1:00 P.M.

NOTICE

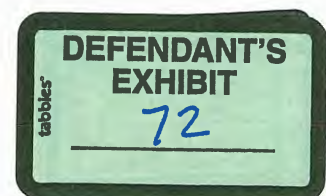
Notice is hereby given for the holding of a Regular Meeting of the Board of Directors of The Wedgewood Condominium Association, Inc., to be held on Friday, August 9, 2013 commencing at 1:00 p.m., in the Conference Room at Chicora Association Management, 605 Briarwood Drive, Suite C., Myrtle Beach, South Carolina.

It is very important each member of the Board make every attempt to attend this meeting in person or by conference call. Please notify the Chicora Association Management office to advise if you will be ¹at the meeting, ²attending by conference call or ³unable to attend. Please contact the Chicora Association Management office as soon as possible so it may be determined if a quorum will be established.

By order of the President.

Mary Noyes Huffman
Mary Noyes Huffman,
Administrative Coordinator

Chicora Association Management, Managing Agent
Myrtle Beach, South Carolina
July 29, 2013



Matter: Wedgewood
Origin: 2012-2017 Meeting Mins
000033

ROA 2770

THE WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

REGULAR MEETING OF THE BOARD OF DIRECTORS

August 9, 2013

1:00 P.M.

AGENDA

- I. Opening**
- II. Approval of Minutes**
 - A. Minutes from the Regular Board Meeting held on April 19, 2013.
- III. Management/Financial Report**
 - A. June, 2013 Financial Statement
 - B. Delinquency Report
 - C. Other
- IV. Unfinished Business**
 - A. Carpet Repairs
 - B. Pressure Washing
 - C. Other
- V. New Business**
 - A. Landscaping
 - B. Picnic Area
 - C. Other
- VI. Schedule Next Meeting**

Board Meetings:
Friday, November 1, 2013 at 1:00 p.m. at Barefoot Fire Station.
Annual Meeting:
Friday, November 1, 2013 3:00 p.m. at Barefoot Fire Station
- VII. Adjournment**

THE WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

REGULAR MEETING OF THE BOARD OF DIRECTORS

August 9, 2013

MINUTES

I. OPENING OF MEETING

The Regular Meeting of the Board of Directors was called to order at 1:05 p.m. August 9, 2013 in the conference room at Chicora Association Management.

Board members present were Gene Verna, Randall Spencer, Michele Salamon and Chris Loftus. Also present was Mike Runser, Chicora Association Management representative.

Gene Verna, President of the Association, served as Chairman of the meeting and Mike Runser, Association Manager, served as Recording Secretary of the meeting.

II. APPROVAL OF MINUTES

The Minutes from the Regular Meeting of the Board of Directors held on April 19, 2013 were presented.

MOTION Randall Spencer made a motion to accept the Minutes of the Regular Meeting of the Board of Directors held on April 19, 2013 as presented.
SECONDED Michele Salamon
VOTE Unanimous
MOTION CARRIED.

III. MANAGEMENT/FINANCIAL REPORT

A. June 2013 Financial Statements

Mike Runser presented the June 2013 Financial Statement and noted all positive and negative variances.

B. Delinquency Report

The Board also reviewed the Summary of Arrears Report.

IV. UNFINISHED BUSINESS

A. Landscaping

The Board was informed on the progress of the security camera at the pool, Mike Runser mentioned that as of August 1, 2013 there had been several people warned

to vacate the pool during after-hours and on one occasion the police were dispatched to remove the party involved.

B. Carpet Repairs

The Board was informed that additional repairs were needed as a result of the carpet installer slicing through the water proofing. Mike Runser told the Board that all of those repairs were complete and the carpet company has paid for the repairs needed.

V. NEW BUSINESS

A. Pressure Washing

The Board during a property walk on Thursday, August 8, 2013 discussed the need for pressure washing the buildings.

MOTION Randall Spencer made a motion to have all the buildings pressure washed as soon as possible.

SECONDED Chris Loftus

VOTE Unanimous

MOTION CARRIED.

B. Landscaping

The Board during a property walk held on Thursday, August 8, 2013 reviewed the condition of the landscaping in front of each building, noting several areas that are in need of additional plantings and/or concrete walkways installed to cut back on the amount of people walking through the flower beds.

MOTION Chris Loftus made a motion to approve the additional plantings as well as two concrete walkways to be installed.

SECONDED Randall Spencer

VOTE Unanimous

MOTION CARRIED.

The Board also discussed the condition of the Weeping Willow trees, surrounding the pond, that appear to be dying. Mike Runser informed the Board that after the August 22nd ARB meeting, in Dye Estates, he and arborist Dan Lambert will look at the trees to see if they need to be treated or removed.

C. Picnic Area

The Board discussed the option of moving the picnic area from its current location behind building # 8, to the other side of the pool. Mike Runser will investigate the costs involved in the project and report back to the Board for their review.

D. Reserve Study

The Board was presented the "Reserve Study" which was completed by Miller Dobson and Associates. The Board noted that there were several items that would be part of the routine maintenance and therefore would not need to be reserved for. The Board will consider the recommendations and do what is in the best interest of the community as a whole.

VI. SCHEDULE NEXT MEETING

Board Meetings:

Friday, November 1, 2013 at 3:00 p.m. located at the Barefoot Fire Station

Annual Meeting:

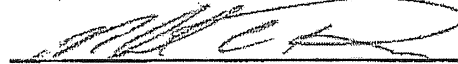
Friday, November 1, 2013 at 5:00 p.m. located at the Barefoot Fire Station

VII. ADJOURNMENT

With no further business to discuss,

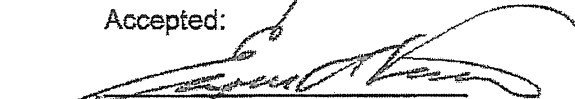
MOTION Randall Spencer made a motion to adjourn the meeting at 2:30 p.m.
SECONDED Michele Salmon
VOTE Unanimous
MOTION CARRIED.

Respectfully Submitted:



Mike Runser,
Recording Secretary

Accepted:


Eugene Verna, President

11/1/13
Date Approved & Signed

Indigo Homes and Investments, Inc.

Post Office Box 31087
Myrtle Beach, SC 29588

Invoice

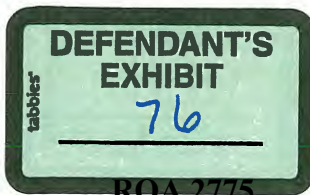


Date	Invoice #
12/29/2010	191

Bill To
Keith/Chicora Wedgewood Bldg. # 4 & 9

Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			12/29/2010			
Quantity	Item Code	Description			Price Each	Amount
1	01	Bldg. # 4 & 9, Labor and materials to remove and replace rotten double end post on 2nd floor landing at end of rail post.			1,154.00	1,154.00
<p>APPROVED FOR PAYMENT ASSOC. <u>WW 424</u> ACCT. # <u>430</u> AUTHORIZED BY <u>[Signature]</u> DATE / BATCH # _____ CHECK / VENDOR # _____</p>						
					Total	\$1,154.00



ROA 2775

Waccamaw - Wedgewood 035764

Indigo Homes and Investments, Inc.

Invoice

Post Office Box 31087
Myrtle Beach, SC 29588

Date	Invoice #
12/26/2010	190

Bill To
Keith/Chicora Wedgewood Bldg. 1 & 2



Ship To

P.O. Number	Terms	Rep	Ship	Via	F.O.B.	Project
			12/26/2010			
Quantity	Item Code	Description			Price Each	Amount
1	01	Labor and materials to remove and replace rotten double end post on the second floor at stairway landing by steps.			1,154.00	1,154.00
<p>APPROVED FOR PAYMENT ASSOC. <u>666 424</u> ACCT. # <u>430</u> AUTHORIZED BY <u>M</u> DATE / BATCH # _____ CHECK / VENDOR # _____</p>					<p>Total <u>\$1,154.00</u></p>	

Waccamaw - Wedgewood 035765

From: Wedgewood
To: Sb Precision Builders LI

Check Date: May 29, 2014
Vendor Id: 16525

Check Number: 00005034
Check Amount: 4,220.00

Invoice Date: 05/24/2014
Invoice Number: 1588

Reference: Amount: 4,220.00



SB Precision Builders

P.O. Box 50523

Myrtle Beach, SC 29579

Ph: 843-458-3818

scott@sbprecisionbuilders.com



Invoice

Date	Invoice #
5/24/2014	1588

Bill To

Wedgewood
 2nd Floor - left/right sides
 Myrtle Beach, SC 29582

Terms
Due on receipt

Item	Quantity	Description	Rate	Amount
Waterproofing & Repair	1	Remove drywall, install temporary floor bracing on left/right side 2nd floor. 2nd floor left & right side: Remove drywall, carpet, rotted flooring & blocking, hardie trim, railing, brackets, and install temporary rails where required. Remove & replace 5" posts and 4" posts. Install treated flooring, bracing, aluminum drip edge, rail posts, brackets, railing, drywall, hardie, and paint touch ups. Sealoflex applied around all posts and newly installed lumber.	4,220.00	4,220.00

APPROVED FOR PAYMENT
 ASSOC. NW 1424
 ACCT.# 5615
 AUTHORIZED BY [Signature]
 DATE/BATCH# _____
 CHECK/VENDOR# _____

Thank you for your business.	Total	\$4,220.00
------------------------------	--------------	------------

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.
NORTH MYRTLE BEACH, SOUTH CAROLINA

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Year Ended December 31, 2007



**WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.
NORTH MYRTLE BEACH, SOUTH CAROLINA**

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Andrew C. Thompson, CPA

~~Certified Public Accountant and Auditor~~

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Members
Wedgewood Condominium Association, Inc.
North Myrtle Beach, South Carolina

We have audited the accompanying balance sheet of the Wedgewood Condominium Association, Inc. as of December 31, 2007, and the related statements of revenues and expenses, changes in fund balances, and cash flows for the year then ended. These financial statements are the responsibility of the Association's directors and management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wedgewood Condominium Association, Inc. as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

May 23, 2008

Andrew C. Thompson, CPA

Telephone (843) 293-5897
Telecopier (843) 293-6633

1

38 Smith Boulevard
Myrtle Beach, SC 29588

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

**BALANCE SHEET
December 31, 2007**

ASSETS	Operating Fund	Reserve Fund	Total
Cash and cash equivalents - (Notes 2 and 5)	\$ 6,273	\$ 251,692	\$ 257,965
Member assessments receivable (Note 3)	2,273	-	2,273
Accounts receivable - other	220	2,522	2,742
Prepaid insurance	8,835	-	8,835
Prepaid expenses	4,305	-	4,305
Utility deposits	1,000	-	1,000
TOTAL ASSETS	\$ 22,906	\$ 254,214	\$ 277,120
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable and accrued expenses	\$ 17,158	-	\$ 17,158
Income taxes payable (Note 4)	1,255	-	1,255
Insurance payable	6,627	-	6,627
Prepaid member assessments (Note 3)	10,971	-	10,971
TOTAL LIABILITIES	36,011	-	36,011
FUND BALANCES (Note 5)	(13,105)	254,214	241,109
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,906	\$ 254,214	\$ 277,120

SEE REPORT OF INDEPENDENT AUDITORS

*The accompanying Notes to Financial Statements are
an integral part of this financial statement.*

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF REVENUES AND EXPENSES
For the Year Ended December 31, 2007

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
REVENUES			
Regular assessments (Note 3)	\$ 301,404	\$ 30,264	\$ 331,668
Fines and late charges	1,639	-	1,639
Interest income	-	8,691	8,691
Miscellaneous revenue	150	-	150
TOTAL REVENUES	303,193	38,955	342,148
OPERATING EXPENSES			
Repairs and maintenance	151,316	-	151,316
General and administrative	43,760	-	43,760
Utilities	109,171	-	109,171
Contract security services	6,499	-	6,499
Total Operating Expenses	310,746	-	310,746
OTHER EXPENSES			
Joint committee fee	15,984	-	15,984
Residential association fee	13,320	-	13,320
Beach club fee	7,991	-	7,991
Taxes and licenses (Note 4)	1,380	-	1,380
Bad debt expense (Note 3)	7,767	-	7,767
Reserve study expense	-	3,225	3,225
Total Other Expenses	46,442	3,225	49,667
TOTAL EXPENSES	357,188	3,225	360,413
EXCESS OF REVENUES OVER EXPENSES	\$ (53,995)	\$ 35,730	\$ (18,265)

SEE REPORT OF INDEPENDENT AUDITORS

*The accompanying Notes to Financial Statements are
an integral part of this financial statement.*

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended December 31, 2007

	Operating Fund	Reserve Fund	Total
FUND BALANCES, January 1, 2007	\$ 40,890	\$ 218,484	\$ 259,374
Excess of revenues over expenses	(53,995)	35,730	(18,265)
FUND BALANCES, December 31, 2007	(13,105)	254,214	241,109

SEE REPORT OF INDEPENDENT AUDITORS

*The accompanying Notes to Financial Statements are
an integral part of this financial statement.*

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2007

	Operating Fund	Reserve Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over expenses	\$ (53,995)	35,730	\$ (18,265)
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities			
(Increase) decrease in:			
Member assessments receivable (Note 3)	2,342	-	2,342
Accounts receivable - other	315	(2,522)	(2,207)
Prepaid insurance	(164)	-	(164)
Prepaid expenses	(255)	-	(255)
Increase (decrease) in:			
Accounts payable and accrued expenses	12,126	-	12,126
Income taxes payable (Note 4)	716	-	716
Insurance payable	(2,044)	-	(2,044)
Prepaid member assessments (Note 3)	(310)	-	(310)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(41,269)	33,208	(8,061)
NET INCREASE IN CASH	(41,269)	33,208	(8,061)
CASH AND CASH EQUIVALENTS, at beginning of year	47,542	218,484	266,026
CASH AND CASH EQUIVALENTS, AT END OF YEAR	\$ 6,273	\$ 251,692	\$ 257,965
 SUPPLEMENTAL DISCLOSURE:			
Income taxes paid	\$ 539	\$ -	\$ 539

SEE REPORT OF INDEPENDENT AUDITORS

*The accompanying Notes to Financial Statements are
an integral part of this financial statement.*

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE AND PURPOSE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Wedgewood Condominium Association, Inc. (the "Association") is a statutory association incorporated and existing under the laws of the State of South Carolina. The Association is responsible for maintaining and preserving common property, enforcing rules for mutual benefit, and providing other common services to Association members. Wedgewood is a residential community consisting of one-hundred eleven (111) residential units, and is a part of the Barefoot Resort, a multi-phase residential, commercial, and golf course community located in North Myrtle Beach, South Carolina. The Association began its operations in 2000.

The following is a summary of the more significant accounting policies used in the preparation and presentation of the accompanying financial statements of the Association.

Basis of Accounting:

The financial statements were prepared utilizing the accrual basis of accounting with revenues being recognized when they are billed or due and expenses being recognized when the expense is incurred.

The Association's governing documents provide certain guidelines for managing its financial activities. To ensure observance of limitations and restrictions on financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in specific funds established according to their nature and purpose. The Association's funds are separated between operating funds and funds for future major repairs and replacements (reserve fund). Operating disbursements are made generally at the discretion of the Board of Directors and the Association's property management company. Replacement funds have been set aside for a specific purpose and are to be disbursed accordingly.

Cash Equivalents:

Cash equivalents consist of certificates of deposit with original maturities of ninety (90) days or less. Certificates of deposits with maturities in excess of ninety (90) days are also considered cash equivalents as bank imposed early withdrawal penalties, if any, are not considered material.

(Continued)

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. NATURE AND PURPOSE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Doubtful Accounts:

The Association, as determined necessary and on an annual basis, establishes an allowance for potentially uncollectible member assessments receivable based on historical collection experience and management's evaluation of collectibility of outstanding balances due. As of December 31, 2007, the Association had recorded an allowance for doubtful accounts.

Common Property:

Real property owned by individual unit owners in common and improvements made by the Association to such property are not capitalized in the financial statements. All expenditures for real property common elements and improvements are reflected as an expense in the period incurred. Common property elements not recognized as assets in the financial statements consist primarily of access driveways and parking areas, a swimming pool facility, and building common areas.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of amounts balances on deposit (including interest-bearing deposits) with financial institutions. The balances on deposit at the financial institutions are insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC). Uninsured balances at December 31, 2007 amounted to \$50,230. The Association manages this credit risk by placing deposits only with highly reputable, nationally recognized financial institutions.

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. ASSESSMENTS CHARGED TO LOT OWNERS

Regular Assessments:

The regular monthly assessment charged to unit owners for 2007 was \$249.

Community Assessments:

The Residential Association

All Owners of residential units (either single family or multi-family) within the Barefoot Resort development are also members of the Barefoot Resorts Residential Owners Association, Inc. ("The Residential Association"). That association is responsible for the administration, maintenance, management, ownership and control of common areas within the Barefoot Resort residential properties.

The Residential Association assesses fees on a per unit basis, which are included in the monthly assessments charged to each unit owner within Wedgewood. The Association remits these fees on a monthly basis to the Residential Association. For 2007, the monthly fee per unit for the Residential Association was \$10, the monthly fee for the Beach Club was \$6, and the monthly fee for the Joint Committee was \$12.

The "Joint Committee Fee" is actually paid by Wedgewood Condominium Association, to the "Residential Association", and the "Residential Association", in turn remits funds to the "Joint Committee" under a "shared services reimbursement plan" as described below.

The Joint Committee

The Residential Association is a member of the Barefoot Resort Joint Committee, Inc. (the "Joint Committee"). The purpose of the Joint committee is to be a unifying entity for the residential and non-residential components of the Barefoot Resort development. The Joint Committee also provides maintenance services for the common elements of the development not designated as part of either an individual regime or the Residential Association.

(continued)

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. ASSESSMENTS CHARGED TO LOT OWNERS (CONTINUED)

The Barefoot Resort Joint Committee, Inc., allocates its' operating expenses to the residential and non-residential associations based on an agreed upon formula. The formula is intended to be consistent with the actual costs borne by the Joint Committee on behalf of the other Associations. For the year 2007, the allocation was 1/3 to the non-residential associations, and 2/3 to the residential associations.

All residential owners within the development (whether part of the Barefoot Residential Owners Association or within another residential "regime") remit payments to the Barefoot Residential Owners Association. In turn, Barefoot Residential Owners Association remits a portion of the amounts collected from owners to the Barefoot Resort Joint Committee in order to fund its' share of the Shared Services Reimbursements" described above.

All fees paid by the Association to the Residential Association and the Joint committee are reflected as expenses within the Association's Statement of Revenues and expenses.

Collection Policy and Budget:

The Association's policy is to retain legal counsel and place liens on units of members whose assessments are over ninety (90) days delinquent. At **December 31, 2007**, the Association had recorded an allowance for potential uncollectible accounts in the financial statements in the amount of \$9,767.

The annual budget and owners' assessments are determined by the Board of Directors to provide for current operating expenditures and required replacement funds. The Association retains excess operating funds at the end of each year, if any, for use in the subsequent year.

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. INCOME TAXES

Under the provisions of the Internal Revenue Code, the Association is allowed to elect each year to file as an eligible Section 528 homeowners association, thereby excluding exempt function income from taxation, or file as an ordinary taxable corporation. For the years ended **December 31, 2007**, the Association elected to file as an ordinary taxable corporation in order to minimize income taxes. The provision for income taxes for **2007** relates primarily to interest income.

NOTE 5. FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents provide that the Association accumulate funds for future major repairs and replacements of the specific components of common property, including personal property. As of **December 31, 2007**, the Association had accumulated funds for future major repairs and replacements of **\$254,214**. This amount is held in separate accounts and is generally not available for operating purposes. It is the Association's policy that interest earned on the separate cash balances is generally allocated to the replacement fund.

The Board of Directors and the Association's property manager conduct an annual study to estimate the remaining useful lives and the replacement costs of common property components. The Association is funding for such future major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously designated for future major repairs and replacements. Because actual expenditures may vary from estimated future expenditures, and the variations may be material, amounts designated for future major repairs and replacements may not be adequate to meet all future needs for major replacements and repairs. If additional funds are needed, the Association has the right, subject to appropriate approval, to increase regular assessments, pass special assessments, or delay major repairs and replacements until funds are available.

Andrew C. Thompson, CPA

Certified Public Accountant and Auditor

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

To the Board of Directors and Members
Wedgewood Condominium Association, Inc.
North Myrtle Beach, South Carolina

The supplementary information on future major repairs and replacements on Page 12 - 13 is not a required part of the basic financial statements of the Association but is presented as supplementary information required by the American Institute of Certified Public Accountants. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

May 23, 2008

Andrew C. Thompson, CPA

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Telecopier (843) 293-6633

11

38 Smith Boulevard
Myrtle Beach, SC 29588

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

**SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS**

December 31, 2007

(Unaudited)

The board of directors and the Associations property manager conduct an annual study to estimate the remaining useful lives and the replacement costs of common property components. Replacement costs were based on estimated costs to repair or replace the common property components at the time of the updated study.

The following information is based on the study and presents significant information about the components of common property.

<u>Component</u>	<u>Estimated Useful Life (Years)</u>	<u>Estimated Current Remaining Useful Life (Years)</u>	<u>Estimated Current Replacement Cost</u>
Concrete Sidewalk & Curb	54	48	129,660
Roadway - Seal Coat	8	2	3,481
Roadway - Resurface	20	14	36,855
Parking Area - Seal Coat	8	2	3,230
Parking Area - Resurface	20	14	34,200
Mail Center Siding	35	29	2,349
Mail Boxes	30	24	6,500
Storm Water Piping	20	14	6,950
Roofs - 3 Buildings	13	7	57,300
Roofs - 3 Buildings	14	8	57,300
Roofs - 3 Buildings	15	9	57,300
Gutter/Downspout - 4 Bldgs	13	7	10,800
Gutter/Downspout - 4 Bldgs	14	8	10,800
Gutter/Downspout - 4 Bldgs	15	9	10,800
Siding/Trim - 3 Buildings	43	37	98,100
Siding/Trim - 3 Buildings	44	38	98,100
Siding/Trim - 3 Buildings	45	39	98,100
Wood Stairs - 3 Buildings	19	13	14,400
Wood Stairs - 3 Buildings	20	14	14,400
Wood Stairs - 3 Buildings	21	15	14,400
Guard Rail - 3 Buildings	34	28	19,440
Guard Rail - 3 Buildings	35	29	19,440
Guard Rail - 3 Buildings	36	30	19,440
Hall Carpet - 3 Buildings	9	3	23,040
Hall Carpet - 3 Buildings	10	4	23,040
Hall Carpet - 3 Buildings	11	5	23,040

(continued)

SEE REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

WEDGEWOOD CONDOMINIUM ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON
FUTURE MAJOR REPAIRS AND REPLACEMENTS

December 31, 2007
(Unaudited)

(continued)

	Estimated Useful Life (Years)	Estimated Current Remaining Useful Life (Years)	Estimated Current Replacement Cost
Carpet Membrane- 3 Bldgs	9	3	13,905
Carpet Membrane- 3 Bldgs	10	4	13,905
Carpet Membrane- 3 Bldgs	11	5	13,905
Hall Ceiling - 3 Buildings	15	9	12,636
Hall Ceiling - 3 Buildings	16	10	12,636
Hall Ceiling - 3 Buildings	17	11	12,636
Bldg Fire Alarm System	30	24	4,590
Bldg Fire Alarm System	31	25	4,590
Bldg Fire Alarm System	32	26	4,590
Exit Lights	30	24	3,240
Exit Lights	31	25	3,240
Exit Lights	32	26	3,240
Masonry Tuckpointing	30	24	9,000
Waste Water Risers	50	44	180,000
Pool Structure	45	39	48,000
Pool Finish	10	4	9,810
Pool Deck	10	4	8,978
Pool House Siding	45	39	9,000
Windows & Doors	25	19	2,400
Pool Fence	38	32	7,020
Pool Pole Lighting	25	19	3,000
			<u>\$ 1,272,786</u>

SEE REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

WEDGEWOOD CONDOMINIUM OWNER'S ASSOCIATION
REGULAR MEETING OF THE BOARD OF DIRECTORS

January 14, 2006

MINUTES

I. OPENING OF MEETING:

The Regular Meeting of the Board of Directors was called to order at 9:14 A.M. in the Barefoot Resort Firehouse, Barefoot Resort, N. Myrtle Beach, South Carolina.

Board members present in person were Randall Spencer, Tatyana Bogdava-Sallee and Jerome Grant. Also present were Chicora Association Management representatives Jim Finn, Community Manager, and Stephanie Hitt, Administrative Coordinator

Randall Spencer, President of the Association, served as Chairman of the meeting and Stephanie Hitt of Chicora Association Management served as Recording Secretary of the meeting.

II. APPROVAL OF MINUTES:

No minutes were discussed at this time.

III. Management/Financial Report

A. September 2005 Financial Statement - Jim Finn presented the November Financial Statement.

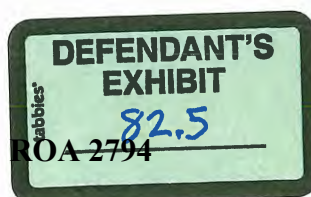
B. Delinquency Report – No report at this time.

C. Work Order Report – No report at this time.

IV. OPEN FORUM

Chairman Spencer opened the meeting for member comments.

- James D'Arcy, Unit # 114 questioned when the trim repair will be complete. Jim Finn replied that it is scheduled for 2006. Mr. D'Arcy then questioned if a special assessment would be applied. Randall Spencer replied no special assessment.
- Pamela Morgan, Unit # 331 commented that the first thing she noticed was the clean buildings. She then questioned if there is a timeline for the replacement of hall capets. Tatyana Sallee also questioned what other types could be used. Jim Finn is to look at alternatives and report to the Board.
- Tatyana Sallee, Unit # 412 reported that the plastic coverings at the mailboxes are either cracked or missing, the lighting is not working at the mail centre and exit lights are missing on some buildings.
- Bill Carey, Unit # 813 reported that the master bedroom window is still leaking after being caulked. Jim Finn replied that caulking should be replaced every 3 to 4 years. Mr. Carey also reported that the gate for the trash compactor has broken hinges and it is a messy area.



- * Randall Spencer, Unit # 713 commented that a pipe comes out of the ground in the pond close to Building 9. Jim Finn explained it was a floater and it can not be hidden.

V. NEW BUSINESS:

The Board discussed the two (2) positions available for the Board of Directors. Teresa D'Arcy of unit # 114 and William (Bill) Carey of unit # 813 volunteered to fill the two (2) director positions on the Wedgewood Board of Directors.

MOTION Jerome Grant made a motion to appoint Teresa D'Arcy, Unit # 114, and William (Bill) Carey, Unit # 813, to the vacant positions on the Board of Directors for two (2) year terms.

SECONDED Tatyana Sallee

VOTE Unanimous

MOTION CARRIED.

VI. SCHEDULE NEXT MEETING:

The next scheduled meeting is to be determined.

VII. ADJOURNMENT:

With no further business to discuss

MOTION Jerome Grant made a motion to adjourn the meeting at 10:06 AM

SECONDED Tatyana Sallee

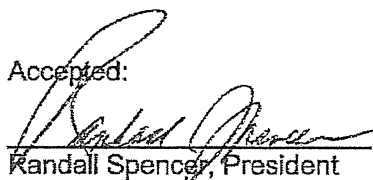
VOTE Unanimous

MOTION CARRIED.

Respectfully Submitted:

Stephanie Hitt, Recording Secretary

Accepted:



Randall Spencer, President

3-24-06

Date Approved & Signed

May 31, 2007

Mr. Chuck Gornick
CHICORA ASSOCIATION MANAGEMENT
605 Briarwood, Suite C
Myrtle Beach, SC 29572

RE: Wedgewood Condominium
Replacement Reserve Report

Dear Mr. Gornick:

At the request of the Board of Directors of Wedgewood Condominium, we have made the following adjustments to the Replacement Reserve Analysis that was performed on April 17, 2007:

1. Revised remaining life of sidewalks and roll curbing.
2. Deleted entry structure/lettering refurbish, community signage, pond silt removal, and pond fountain.
3. Deleted irrigation system and controllers.
4. Changed cost and normal life of seal coat and cost of resurfacing.
5. Changed remaining life of mail center siding.
6. Deleted caulk/seal.
7. Changed normal and remaining life of building wood stairs – tread and riser.
8. Changed normal life of exterior hall carpet and rubber membrane.
9. Deleted hallway ceiling lighting and emergency exit lighting.
10. Deleted pool filter system, pool pump and motor, pool handrails/ladders, pool furniture, and pool house roof.
11. Deleted pool landscape lighting.
12. Changed remaining life of pool white coat and pool waterline tiles.

The effect of these adjustments is to change the projected annual contributions as follows:

	From	To
Component Method	\$84,670	\$63,037
Cash Flow Method	\$76,705	\$51,891

A copy of the revised report is enclosed for you to place in your binder. Please let me know if I can be of any further assistance.

Sincerely,
MILLER - DODSON ASSOCIATES, INC.


James W. Dodson, Jr., R.S.
Principal



Addendum 2

The Board of Directors of Wedgewood has reviewed the recently submitted Reserve Study and has opted to make the following changes:

Item 1	Remaining Economic Life of 36 years
Item 2	Remaining Economic Life of 42 years
Item 3	Remaining Economic Life of 48 years
Item 4	Remaining Economic Life of 54 years
Item 5	Remaining Economic Life of 60 years
Item 11	Remaining Economic Life of 33 years
Item 12	Remaining Economic Life of 39 years
Item 13	Remaining Economic Life of 45 years
Item 21	Delete - Operating Budget item
Item 22	Delete - Operating Budget item
Item 23	Unit cost of \$0.85 and Normal Economic Life of 8 years
Item 24	Unit cost of \$9.00
Item 25	Unit cost of \$0.85 and Normal Economic Life of 8 years
Item 26	Unit cost of \$9.00
Item 27	Delete
Item 28	Delete - Operating Budget item
Item 29	Delete - Will negotiate when building roofs are replaced
Item 30	Remaining Economic Life of 31 years
Item 33	Delete - Operating Budget item
Item 43	Delete - Will include in Painting Budget
Item 44	Delete - Will include in Painting Budget
Item 45	Delete - Will include in Painting Budget
Item 46	Normal Economic Life of 20 years and Remaining Economic Life of 13 years
Item 47	Normal Economic Life of 20 years and Remaining Economic Life of 14 years
Item 48	Normal Economic Life of 20 years and Remaining Economic Life of 15 years
Item 52	Normal Economic Life of 8 years
Item 53	Normal Economic Life of 8 years
Item 54	Normal Economic Life of 8 years
Item 55	Normal Economic Life of 8 years
Item 56	Normal Economic Life of 8 years
Item 57	Normal Economic Life of 8 years
Item 61	Delete - Operating Budget item
Item 62	Delete - Operating Budget item
Item 63	Delete - Operating Budget item
Item 64	Delete - Operating Budget item
Item 65	Delete - Operating Budget item

- Item 66 Delete - Operating Budget item
- Item 76 Remaining Economic Life of 5 years
- Item 77 Remaining Economic Life of 5 years
- Item 78 Delete - Operating Budget item
- Item 79 Delete - Operating Budget item
- Item 80 Delete - Operating Budget item
- Item 82 Delete - Operating Budget item
- Item 83 Delete - Will negotiate when roofs are replaced
- Item 88 Delete - Operating Budget item

Chuck Gornick

From: randall spencer [rws@probenea.com]
Sent: Wednesday, May 30, 2007 9:46 AM
To: 'Chuck Gornick'; Randall Spencer
Cc: tatyana555@aol.com; teresa.darcy@jpfincianal.com; wcarey@hvc.rr.com; jeannebogart@chicora.net
Subject: RE: Reserve Study - Part 2

Thanks Chuck for the quick response. Think \$9.31 is something we can live with.

By the way.. bldg 6 has severe rotten wood on two posts facing the parking lot... first thing you notice as you walk up.. Please check

Randall

-----Original Message-----

From: Chuck Gornick [mailto:chuckgornick@chicora.net]
Sent: Tuesday, May 29, 2007 10:40 AM
To: Randall Spencer
Cc: tatyana555@aol.com; teresa.darcy@jpfincianal.com; wcarey@hvc.rr.com; jeannebogart@chicora.net
Subject: Reserve Study - Part 2

Randall

The changes the BOD made in the reserve study would result in cumulative expenditures of \$1,177,561 versus Receipts of \$1,152,100 over the 30 year study. Approximately a \$25,000 deficit at our current funding level. Less than \$1.00 per owner. The revised Study will hopefully verify these numbers.

The above does not include any funding for painting. Assuming \$9,000 per building on a 7 year cycle an additional \$8.70 per month per owner would have to be included.

The above 2 items would result in raising the assessment about \$9.31 per month. This decision does not have to be made until budget time.

Chuckg

6/5/2007

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM HORRY COUNTY
Court of Common Pleas

Carmen T. Mullen, Circuit Court Judge

Case No. 2018-CP-26-00307

Wedgewood Condominium Association,

Respondent,

v.

Centex Homes, a Nevada General Partnership and Balfour Beatty Construction, LLC as successor by merger to Centex Construction Company, Inc. and Centex Construction, LLC, Crescent Architects, LLC and CEMS Engineering, Inc., Defendants,

Of which Centex Homes, a Nevada General Partnership and Balfour Beatty Construction, LLC as successor by merger to Centex Construction Company, Inc. and Centex Construction, LLC are the Appellants.

And

Centex Homes, a Nevada General Partnership, Third Party Plaintiff

v.

Right Way Construction, Inc. a/k/a RWG, Inc. a/k/a Right Way Group, Inc. a/k/a RWGR, Inc.; Frank Harris d/b/a Frank Harris Construction a/k/a F. Harris Construction a/k/a Harris Drywall; Builders FirstSource – Southeast Group, LLC; Stock Building Supply, LLC f/k/a Stock Building Supply, Inc. f/k/a Carolina Builders Corporation; Michael D. Brownlee d/b/a Carolina Drywall & Interiors; Carolina Drywall & Interior, Inc. a/k/a Carolina Drywall & Interiors, Inc. a/k/a Carolina Drywall Contractors, Inc.; Roof Doctor of the Carolinas, Inc.; John D. Frazier d/b/a and/or a/k/a Roof Doctor and/or Roof Doctor of the Carolinas and/or Roof Doctor of the Carolinas, Inc.; Steven Bosch d/b/a The Roofer Man; Tri-City Insulation and Building Products of Myrtle Beach, Inc.; Martin Mata d/b/a Martin Masonry; Martin Masonry, Inc.; BR Brick & Masonry, Inc.; BR Brick & Masonry, LP f/k/a BR Brick & Masonry, Inc.; Unicon Concrete, LLC; Seno's Cleaning Service; American Residential Services, Inc.; Rice Planter Carpets, Inc. n/k/a Creative Touch Interiors, Inc., Floors, Inc. successor by merger to Rice Planter Carpets, Inc.; Carpets By Kendall, Inc.; Reliable Floor Systems, Inc.; TNT Painting; Paint with Pride a/k/a Painting with Pride; William Evans d/b/a Top Notch Painters; Morningstar Consultants Inc.; MI Windows and Doors, LLC; Michael Dawson d/b/a Michael Dawson Construction, and Inc.; Vereen Concrete Co. Inc.; AK

Construction Inc. a/k/a AK Framing and Siding Co.; AK United, Inc. f/k/a AK Construction Inc.,
Third Party Defendants.

NOTICE OF APPEAL

Appellants Centex Homes, a Nevada General Partnership and Balfour Beatty Construction, LLC as successor by merger to Centex Construction Company, Inc. and Centex Construction, LLC (collectively, “Centex”) appeal the following orders issued by the Honorable Carmen T. Mullen:

1. Form 4 Order denying Centex’s Motion for Judgment Notwithstanding the Verdict, or in the alternative, a New Trial and denying Centex’s Motion for a New Trial or in the alternative *Nisi Remittitur*, filed June 14, 2023;
2. Amended Form 4 Order and Judgment, filed June 8, 2023.
3. Form 4 Order and Judgment, filed June 1, 2023.

Centex received notice of the Court’s Order denying Centex’s Motion for Judgment Notwithstanding the Verdict, or in the alternative, a New Trial and denying Centex’s Motion for a New Trial or in the alternative *Nisi Remittitur* on June 14, 2023. A copy of each of the identified Orders is enclosed herewith.

s/Thomas C. Hildebrand, Jr.

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July 13, 2023

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THE STATE OF SOUTH CAROLINA
In the Court of Appeals

APPEAL FROM Horry County Common Pleas Court
Honorable Carmen T. Mullen, Circuit Court Judge

Appellate Case No. 2023-001132
Trial Court Case No. 2018-CP-26-00307

Wedgewood Condominium Association, Respondent,

v.

Centex Homes, a Nevada General Partnership; Balfour Beatty Construction, LLC as Successor by Merger to Centex Construction Company, Inc., and Centex Construction, LLC; Crescent Engineering, Inc., Defendants,

Of which Centex Homes, a Nevada General Partnership; Balfour Beatty Construction, LLC as Successor by Merger to Centex Construction Company, Inc., and Centex Construction, LLC, are the Appellants.

and

Centex Homes, a Nevada General Partnership, Third Party Plaintiff,

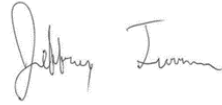
v.

Right Way Construction, Inc. a/k/a RWG, Inc. a/k/a Right Way Group, Inc. a/k/a RWGR, Inc.; Frank Harris d/b/a Frank Harris Construction a/k/a/ F. Harris Construction a/k/a Harris Drywall; Builders First Source- South East Group, LLC; Stock Building Supply, LLC f/k/a Stock Building Supply, Inc. f/k/a Carolina Builders Corporation; Michael D. Brownlee d/b/a Carolina Drywall & Interiors; Carolina Drywall & Interior, Inc., a/k/a Carolina Drywall & Interiors, Inc. a/k/a Carolina Drywall Contractors, Inc.; Roof Doctor of the Carolinas, Inc.; John D. Frazier d/b/a and/or a/k/a Roof Doctor and/or Roof Doctor of the Carolinas and/or Roof Doctor of the Carolinas, Inc.; Steven Bosch d/b/a The Roofer Man; Tri- City Insulation and Building Products of Myrtle Beach, Inc.; Martin Mata d/b/a Martin Masonry, Inc.; Martin Masonry, Inc.; BR Brick & Masonry, Inc.; BR Brick & Masonry, LP f/k/a BR Brick & Masonry, Inc.; Unicon Concrete, LLC; Seno's Cleaning Services; Rice Planter Carpets, Inc. n/k/a Creative Touch Interiors, Inc., Floors, Inc. Successor By Merger to Rice Planter Carpets, Inc.; Carpets by Kendall, Inc.; Reliable Floor Systems, Inc.; TNT Painting; Paint with Pride a/k/a Painting with Pride; William Evans d/b/a Top Notch Painters; Morningstar Consultants, Inc.; MI Windows and Doors, LLC; Michael Dawson d/b/a Michael

Dawson Construction, and Inc.; Vereen Concrete Co. Inc.; AK Construction Inc. a/k/a AK Framing and Siding Co.; and AK United, Inc. f/k/a AK Construction Inc., Third-Party Defendants.

CERTIFICATE OF COUNSEL

The undersigned hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.



/s/

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Dated: March 27, 2024