THE STATE OF SOUTH CAROLINA
In The Supreme Court

APPEAL FROM HORRY COUNTY
Court of Common Pleas
Clifton Newman, Circuit Court Judge

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S C Supreme Court

Case No 2005-CP-26-3289

Tony L Pope and Lynn S Pope, Individually and Representing as a Class all Unit Owners for Riverwalk at Arrowhead Country Club Horizontal Property Regime, Respondents,

v

Heritage Communities, Inc , Heritage Riverwalk, Inc , and Buildstar Corporation, Petitioners

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Case No 2003-CP-26-7169

Riverwalk at Arrowhead Country Club Property Owners' Association, Inc , Respondents,

v

Heritage Communities, Inc , Heritage Riverwalk, Inc , and Buildstar Corporation, Petitioners

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APPENDIX - VOLUME IV

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APPENDIX
INDEX

APPENDIX VOLUME I

Record on Appeal 1
Volume I 1

APPENDIX - VOLUME II

Record on Appeal cont
Volume II 498

APPENDIX - VOLUME III

Record on Appeal cont
Volume III 980

APPENDIX - VOLUME IV

Record on Appeal cont
Volume IV 1488

APPENDIX – VOLUME V

Record on Appeal cont
Volume V 1939

Final Brief of Appellants 2111

Final Brief of Respondents 2173

Final Reply Brief of Appellants 2227

Court of Appeals Opinion September 14, 2011 2255

Appellants' Petition for Rehearing and Suggestion for Rehearing En Banc, October 14, 2011 2285

Respondents' Return to Petition for Rehearing, October 19, 2011 2339

Appellants' Reply to Respondents' Return to the Petition for Rehearing and Suggestion for Rehearing En Banc, October 24, 2011 2343

Order Denying Petition for Rehearing, December 12, 2011 2352

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SC Court of Appeals

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RECORD ON APPEAL - VOLUME IV

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RECORD ON APPEAL
INDEX

VOLUME I

ORDERS and JUDGMENTS

Consent Order to Certify the Class, March 1 2006	1
Order to Certify the Class September 3 2008	20
Order regarding Settlement of Class Action Approval of Attorney s Fees and Certification of Settlement Class, November 12, 2008	33
Order Denying Defendants' Post Trial Motions April 4 2009	42
POA Action (Riverwalk) Judgment January 22 2009	48
POA Action (Riverwalk) Verdict Form January 22 2009	52
Pope Judgment January 22 2009	54
Pope Class Action Verdict Form January 22 2009	58

PLEADINGS

POA (Riverwalk) Class Action Complaint December 5 2003	60
Pope Class Action Complaint June 23 2005	72
POA (Riverwalk) Class Action Fourth Amended Complaint August 3 2006	90
Pope Class Action Third Amended Complaint July 22 2008	104

TRANSCRIPTS

Trial Transcript Excerpts, January 5 2009 to January 15, 2009	124
Motions	125
Testimony	176
Tony Pope	176
Direct by Thompson	176
Jennifer Harmon	177
Cross by Cole	177

ReDirect by Thompson 181

Tony Pope 215
Direct by Thompson 215
Cross by Fosmire 222
ReCross by Fosmire 224
Jennifer Harmon 226
Direct by Thompson 226
Cross by Cole 266
ReDirect by Thompson 267
ReCross by Cole 270
Thomas Pegram 270
Direct by Thompson 271
Cross by Cole 323
ReDirect by Thompson 347
Franklin Drew Brown 388
Direct by Henry 388

VOLUME II

Cross by Fosmire 496
ReDirect by Henry 574
ReCross by Fosmire 583
Jim Graham (Proffered Testimony) 602
Direct by Henry 602
Cross by Fosmire 605
Jim Graham 620
Direct by Henry 620
Cross by Fosmire 638
ReDirect by Henry 641
ReCross by Fosmire 643
Albert Best 644
Direct by Henry 644
Quinn Hardester 700
Direct by Thompson 700
Cross by Fosmire 723
ReDirect by Thompson 727
Albert Best cont 739
Cross by Fosmire 739
ReDirect by Henry 768
ReCross by Fosmire 779
Francis DeSentes 782
Direct by Henry 782
Cross by Cole 804
ReDirect by Henry 820

Lynn Anderson 865
Direct by Cole 865
Cross by Henry 875
ReDirect by Cole 887
Constance Reddington 888
Direct by Fosmire 888
Cross by Thompson 896
ReDirect by Fosmire 899
ReCross by Thompson 900
Sue Ann Hodges 901
Direct by Fosmire 901
Cross by Henry 904
Carl Walters 905
Direct by Fosmire 905
Cross by Thompson 907
ReDirect by Fosmire 912
David Eiland 919
Direct by Cole 919
Cross by Thompson 960
ReDirect by Cole 971
ReCross by Thompson 972

VOLUME III

Alan Campbell 973
Direct by Fosmire 973
Cross by Henry 1067
ReDirect by Fosmire 1135
ReCross by Henry 1146
Steve Watkins 1148
Direct by Fosmire 1148
Cross by Henry 1248
ReDirect by Fosmire 1298
ReCross by Henry 1304
Jesse Teel Jr 1306
Direct by Cole 1306
Cross by Henry 1334
ReDirect by Cole 1345
ReCross by Henry 1347

VOLUME IV

Jury Charge 1482
Verdict 1566

EXHIBITS

Plaintiffs Exhibits	1510
1 – Master Deed for Riverwalk At Arrowhead Golf Club	1510
2 – Kimley Horne Report October 1999	1694
6 – Kimley Horne Report March 2001	1711
7 – George Barbour 2002 Annual Maintenance Survey	1775
12 – Heritage Warranty Manual	1807
45 – Fax to Dan Carver Betterbilt to James Graham August 21 1998	1835
Defendants' Exhibits	1836
2 – Building Permits	1836
3 – Certificates of Occupancy	1870

OTHER MOTIONS

Defendants PreTrial Brief, December 22, 2008	1908
Defendants Motion to Decertify December 22 2008	1914
Defendants Motion for Set-Off, January 26 2009	1916
Defendants Post-Trial Motions January 26 2009	1920

VOLUME V

Defendants Memorandum in Support of Post-Trial Motions, with exhibits February 24 2009	1933
Defendants Notice of Appeal May 8 2009	2093
Certificate of Counsel	

now explain to you the law that applies to this case

Under the Constitution and laws of South Carolina you are the finders of the facts in this case I do not have the right to pass upon the facts or even to express any opinion that I might have as to them You are also the judges, the sole judges of the credibility, that is, the believability of the witnesses who have testified in this case In passing upon their credibility you may take into consideration many things, such as the demeanor or manner of testifying, whether the witness had reason to be biased or prejudiced, whether a witness' testimony was contradicted on the one hand or supported and corroborated on the other hand You certainly do not determine this credibility or believability by counting the number of witnesses for either side You may believe a small portion of a witness' testimony and disregard the larger, or vice versa You may believe many witnesses against one or one witness against many

Now, the plaintiffs have the burden of proving the claims alleged in this case The plaintiffs must meet this burden as to actual damages by proving the claims by the preponderance of the evidence A preponderance of the evidence simply means the greater weight of the evidence It is evidence which as a whole shows that

the fact sought to be proved is more likely true than not true This can best be illustrated by imagining a set of scales When the case begins the scales are even After all the evidence has been presented, if the scales should remain even or if they tip even slightly in favor of the defendant, then the plaintiffs have failed to meet this burden of proof and would not be entitled to recover the damages sought If on the other hand the scales tip even slightly in favor of the plaintiffs the plaintiffs will have met the burden of proof and would be entitled to recover the damages sought The preponderance of the evidence is not determined by the number of witnesses Instead, it must be determined by the greater weight of all the evidence

Now, the rules of evidence ordinarily do not permit witnesses to testify as to their opinions or conclusions An exception to this rule exists, however, as to those whom we call expert witnesses Expert witnesses are witnesses who by education and experience have become expect in some art, science, profession or calling These witnesses may state their opinions as to relevant and material matter in which they profess to be an expert and may also state the reasons for the opinion You should consider expert

opinions received in evidence in this case and give them such weight as you think it deserves

If you should decide that the opinion of an expert witness is not based upon sufficient education and experience or if you should conclude that the reasons given in support of the opinion are not sound or if you feel that it is outweighed by other evidence you may disregard the opinion entirely

There have been some stipulations entered into in this case A stipulation is an agreement as to a fact Once a fact is stipulated to that fact becomes established for purposes of the case and cannot be questioned or contradicted In this case the parties have stipulated that the 1994 and 1997 Standard Building Code were the codes that governed the construction of the Riverwalk condominium buildings

Now, the same constitution and law which makes you the finders of the facts and the evidence, as I have discussed with you, I am the judge, I am as the judge made the sole and only instructor in the law You must accept as correct the law which I charge you and apply it to the evidence as you find it and then reach your verdict And finally I charge you in this regard that you should not be concerned about what you think the law ought to be, but rather what I charge you the law

to be

As was explained at the beginning of this trial there are two lawsuits that are combined for this lawsuit and for this trial The first is the action brought by Riverwalk at Arrowhead Country Club Property Owners Association, the POA This lawsuit was brought by the Board of Directors of the property owners association The property owners association lawsuit seeks damages for repairs past and future, including any other related costs incidental thereto

The second lawsuit was brought by Tony L Pope and Lynn S Pope individually and representing as a class all unit owners of Riverwalk at Arrowwood Country Club Horizontal Properties Regime, referred to as the class action These plaintiffs seek damages for loss of use of the condominium unit during the repairs to be made

The plaintiffs have asserted several claims against the defendants The plaintiffs and the property owners association suit have asserted claims against the defendants for negligence, breach of fiduciary duty and breach of the warranty of habitability The plaintiffs in the class action have asserted claims against the defendants for negligence and breach of the warranty of habitability

BuildStar was the general contractor for the

construction of the Riverwalk Condominiums, Heritage Riverwalk was the entity created to develop and sell the Riverwalk condominiums, Heritage Communities was the parent company to Heritage Riverwalk and BuildStar All three defendants shall be treated as one for determining any liability

Now, the plaintiffs allege that the defendants negligently constructed the Riverwalk Condominiums Negligence is the failure to exercise the degree of care which a person or entity of ordinary reason and prudence would exercise under the same or similar circumstances as exists in this case Carelessness and negligence means the same thing

To establish negligent construction the plaintiff must prove four essential elements One, that there was an undertaking to construct a building by the defendants, that the defendants were negligent or careless or reckless, willful and wanton, in the performance of that construction work, or stated another way, that they did not perform the work in a good and workman like manner

Three, that the negligence or carelessness or recklessness, willfulness and wantonness of the defendants in performing that construction work was a proximate cause of any damages sustained by the

plaintiffs

And four, the resulting damages must be shown

Negligence is not actionable unless it proximately causes the plaintiffs' damages Proximate cause is the efficient or direct cause of damages Proximate cause requires proof of both causation in fact and legal cause Causation in fact is proven by establishing the plaintiffs's damages would not have occurred but for the defendant's negligence Legal cause is proven by establishing foreseeability And foreseeability is not determined from hindsight but rather from the Defendant's perspective at the time of the complained of act

I charge you that as a matter of law I have determined that the defendants were negligent in the construction of these condominiums As a result you must award the plaintiff property owners association damages for the cost of repairs and other costs, and any other costs related incidental thereto, to the extent these damages have been proven by a preponderance of the evidence

As to the class action lawsuit brought by Tony and Lynn Pope you must determine the nature and extent of any damages suffered by the unit owners for the loss of use of the condominiums during any repairs

The plaintiffs also claim that the defendant Heritage Riverwalk, Incoprorated, breached the implied warranty of habitability Now, a seller of a condominium gives the purchaser an implied warranty that the condominium is habitable The habitability of a dwelling does not turn on whether a person lives there or rents the unit Rather, habitability is defined as the condition of a building in which inhabitants can live free of serious defects that might harm health and safety A breach of this warranty would occur if the condominium can not be lived, the condominium or condominiums cannot be lived in without serious defect that might harm health and safety If you find that these condominiums cannot be lived in without serious defect that might affect, that might harm health and safety, then you must find for the plaintiffs on this claim

The plaintiffs and the property owners association claim, the plaintiffs, the property owners association plaintiffs claim that the defendant developers are in breach of a fiduciary duty owed to them A fiduciary relationship is founded on the trust and confidence of one entity in the integrity and fidelity of another, or the trust and confidence of one party in the integrity and fidelity of another A fiduciary relationship

exists when one imposes a special confidence -- I'll restate that sentence A fiduciary relationship exists when one imposes a special confidence in another so that the latter in equity and good conscience is bound to act in good faith and with due regard to the interests of the one imposing the confidence The law requires that parties in a fiduciary relationship must fully disclose to each other all known information that is significant and material One standing in a fiduciary relationship with another is subject to liability to the other for harm resulting from a breach of duty imposed by that relationship If you find that the developers breached this duty you must find the defendants liable for any damages proximately resulting from the breach

In addition to determining the damages suffered by the plaintiffs for the cost of repair of a negligently constructed condominium you must also consider if the plaintiffs have proven by a preponderance of the evidence whether the defendants have breached this fiduciary duty to the property owners association and whether the defendants breached the warranty of habitability to the property owners association and to the class of unit owners

Your next step is to decide how much money the

defendants should be required to pay We call such an award damages Damages are divided into two categories, actual damages and punitive damages Actual damages are intended to compensate the party suffering damages That is, to put the damaged party as near as possible in the same position that the party would be in but for suffering damages In other words, actual damages would be the actual loss which the plaintiffs have suffered as a result of the defendant's negligence and/or breach of warranty of habitability and/or breach of fiduciary duty

In determining actual damages you must determine the total amount of actual or compensatory damages as have been proven to you by the preponderance of the evidence That is to say such damages and such naturally and approximately resulting from the negligence and or breach of a warranty or fiduciary, breach of warranty or fiduciary duty or breach of warranty of habitability by the defendants

As to the measure of damages concerning the plaintiff property owners association claim of negligence and/or breach of warranty of habitability or breach of fiduciary duty, as to the property owner's claim the general measure of damages from negligence is the cost to repair the units, past and future,

including any other related costs incidental thereto The plaintiffs are not required to prove that the repairs have actually been made A competent estimate of the cost of repairs is sufficient to create a factual issue for the jury regarding these damages

The measure of damages in the plaintiffs' class action suit on behalf of the unit owners regarding the claims of negligence and breach of the warranty of habitability To recover damages for the loss of use of a condominium unit there must be proof of the value of the loss of the use suffered or to be suffered by the unit owners

If you find that the plaintiffs are entitled to recover for the loss of use of their condominium units you should award damages for the fair value of the use while the property is to be repaired

A party suffering damages has a duty to exercise reasonable care and diligence to minimize its damages No recovery may be had for losses of which the damaged party might have prevented by reasonable efforts and expenditures The damaged party is required to do only that which would be reasonable In other words, the damaged party is required to do that which an ordinary, prudent person or party would do under similar circumstances to mitigate its damages However, the

damaged party is not required to unreasonably exert itself to incur substantial expense in an effort to mitigate the damages Where no evidence is given that damages could reasonably have been reduced the damaged party is not required to have done more Yet a party will not be allowed to sit back and wait and then seek to recover damages when reasonable attempts would have mitigated the damages There is no obligation to minimize or avoid damages where a party has a vested right to recover the full amount sought

In this case the plaintiff seeks punitive damages in addition to actual damages Punitive damages, also known as exemplary damages are imposed as punishment They are not intended to compensate Punitive damages are allowed in the interest of society in the nature of punishment and as a warning and example to deter the wrongdoer and others from committing like offenses in the future Moreover, they serve to vindicate a private right by requiring the wrongdoer to pay money to the damaged party

Punitive damages serve at least three important purposes Punishment of a defendant's recklessness, willfulness, wantonness or malicious conduct, the deterrence of similar future conduct by defendant or others, and compensation for the reckless and willful

invasion of the plaintiffs's rights The paramount purpose for awarding punitive damages -- the paramount purpose for awarding punitive damages is not to compensate the plaintiffs but to punish and set an example for others

Now, what would justify an award of punitive damages? As you consider the issues of punitive damages the highest burden of proof known to the civil law is applicable Section 15-13-135 of the South Carolina Code provides that in any civil action where punitive damages are claimed the plaintiffs have the burden of proving such damages by clear and convincing evidence Punitive damages can only be awarded where the plaintiffs prove by clear and convincing evidence that defendants' actions were willful, wanton, malicious and in reckless disregard of the plaintiff's rights or where Defendant's actions were so grossly negligent as to imply a willfulness or wantonness A conscious failure to exercise due care constitutes willfulness It is the present consciousness of wrongdoing that just justifies the assessment of punitive damages against the wrongdoer

Punitive damages will be allowed even when a defendant does not realize it is invading the plaintiff's rights so long as the act is committed in

such a manner that a person of ordinary prudence would conclude that it was done in reckless disregard of the rights of another

The plaintiffs cannot recover punitive damages based on negligent conduct Negligence is the doing of some act which a person of ordinary prudence would not have done under similar circumstances or failure to do what a person of ordinary prudence would have done under similar circumstances Mere negligence will not support a punitive damages award To recover punitive damages the plaintiffs must prove by clear and convincing evidence that the defendants' actions were willful, wanton or reckless or so grossly negligent as to imply a willfulness or wantonness

The word recklessness, willfulness and wantonness are synonymous The terms are used to describe a conscious failure to exercise and observe reasonable or due care Recklessness is distinguished from negligence Negligence is the failure to use due care Negligence is carelessness, as mentioned earlier Negligence is a failure by omission or commission to exercise due care as a person of ordinary reason and prudence would exercise in the same circumstances Recklessness is a higher degree of culpability and responsibility Recklessness signifies a conscious

failure to exercise due care Recklessness is a conscious indifference to the rights of the plaintiffs or a reckless disregard of the rights of the plaintiffs Recklessness is an awareness of wrongful conduct and continuation to act regardless of consequences

Gross negligence is the intentional conscious failure to do something which is incumbent upon one to do or the doing of a thing intentionally that one ought not to do Negligence is the failure to exercise due care, while gross negligence is the failure to exercise even the slightest care Gross negligence is a relative term and means the absence of care that is necessary under the circumstances

Punitive damages are recoverable for negligence so gross or reckless of consequences as to imply or to assume the nature of wantonness, willfulness or recklessness But punitive damages may not be awarded for mere gross negligence

The test for determining whether a tort may be deemed reckless, willful or wanton is whether it has been committed in such a manner and under such circumstances that a person of ordinary reason or prudence would have been conscious of it as an invasion of the rights of the party suffering damage

There is no formula or standard that can be used as a measure for assessing punitive damages However, factors relevant to your consideration of punitive damages are the character of the defendant's act, the nature and extent of the harm to plaintiffs which defendant caused or intended to cause, the defendant's degree of culpability, the punishment that should be imposed, the duration of the conduct, the defendant's awareness or concealment, the existence of similar past conduct, the likelihood the award will deter the defendant and others from like harm, whether the award is reasonably related to the harm likely to result from such conduct, and the defendant's wealth or ability to pay Now, the financial condition of the defendant is a factor you should consider in awarding punitive damages However there is no requirement that the defendant be a person of means before you are justified in awarding punitive damages While the wealth of a defendant is a relevant factor in assessing punitive damages, it is not necessarily controlling In other words, a financial worth of a defendant is a fact properly to be considered by you in determining the amount to be awarded as punitive damages but evidence of net worth is not a pre-requisite to a punitive damage award

Now, if under proper allegations a plaintiff proves by clear and convincing evidence a willful, wanton, reckless or malicious violation of his rights it is not only the right but the duty of the jury to award punitive damages Accordingly, if you should find that the plaintiffs are entitled to recover punitive damages in addition to actual damages it would be your duty to include such damages in your verdict and award such amount, such an amount as you may deem reasonable and proper in light of the facts and circumstances

Now plaintiffs cannot recover conjectural or speculative damages Neither the existence, causation nor amount of damages can be left to conjecture, guess or speculation However, if you find that the plaintiffs are entitled to a verdict for actual damages your verdict should include an amount to cover any damages that the evidence shows will be reasonably certain to occur in the future Future damages need not be proved to a mathematical certainty and often must be approximated These future damages must be the result of the defendant's negligence and any future damages that you award must be reduced to their present day value

Excuse me just a moment Counsel approach

(Unrecorded bench conference)

THE COURT Ladies and gentlemen, let's stand for just a moment

All right

Ladies and gentlemen, a general contractor has a duty to supervise the construction of the underlying project However, the general contractor is not automatically responsible for the negligence of the subcontractors that work on the same project The plaintiff must still prove that the general contractor breached his duty to supervise the construction of the project and that this alleged breach was the proximate cause of the plaintiffs' damages You cannot award punitive damages where it is standard industry practice for a general contractor or developer to rely upon his subcontractors and they, and they do so It is presumptively reasonable for a general contractor to rely on his subcontractors when it is standard industry practice

Now, you have been sworn to give both parties, all parties in this case a fair and impartial trial and when you have done so you will have complied with your oath and no one will have a right to criticize your verdict You must not be influenced by opinions or expressions of opinions you may have heard outside of

this courtroom but, rather, you should base your verdict only on the testimony of the sworn witnesses who took the witness stand, along with the other evidence You should not be swayed by caprice, passion, prejudice or improper sympathy for or against any of the parties in this case, and remember, you have no friends to reward or enemies to punish and both parties are entitled or all parties are entitled to a fair and impartial trial at your hand

You may have noticed that I have read these instructions I do so to give you the law as accurately as possible I give you a copy of these instructions to have in your jury room You may refer to these instructions to assist you in your deliberations

Of course any verdict you reach must be a unanimous one That is, it must be agreed to by all of you and, Madam Foreperson, it will be your duty to preside over the deliberations of the jury and when you have reached the verdict and completed the verdict form you may knock on the door and we'll take your verdict at that time

You will be given two verdict forms to complete as being the verdict of the jury The first verdict form is the property owners association complaint and as to

the first question asked on the negligence cause of action, were the defendants negligent in the construction of the Riverwalk condominiums? The answer to that question is yes based on my finding that to be the case as a matter of law and that has already been checked yes

The second question for you to determine is as to the breach of fiduciary duty cause of action we the jury find the defendant breached the jury, breached the duty, either yes or no Certainly the phraseology of it on the verdict form does not suggest what your conclusion should be, either you determine that they did not breach the fiduciary duty or they breached the fiduciary duty You will indicate it on your verdict form

As to the breach of warranty of habitability, we the jury find either yes or no as to whether the defendant breached that warranty of habitability

Then you move to the question of damages We the jury find for the plaintiffs in the sum of blank dollars actual damages, and whatever amount of actual damages you find to be the case that's what you would put on that line Then another question posed to you, does the jury find by clear and convincing evidence that the defendant's actions were willful, wanton,

reckless and are grossly negligent? And I have informed you as to the legal standard to apply to punitive damages in that regard and you answer yes or no If the answer is no you proceed no farther If the answer is yes, then you go to the next paragraph which says we the jury award punitive damages in the amount of, blank, and you will put the amount of punitive damages that you have found to be the case And with regard to all, any damages awarded, it is generally best for you to write it out in longhand and then put the numerical figures in parenthesis Even if the space provided is not enough, you take whatever space you need

And secondly, as to the Pope lawsuit on behalf of the unit owners, as to the negligence cause of action, was the defendant negligent in construction of the condominiums? That box is already checked yes

As to the breach of warranty of habitability, the cause for loss of use, we the jury find either that the defendant breached the warranty or not You will indicate yes or no And then you will indicate the total of the actual damages suffered by the unit owners for the loss of the use of the unit while construction is to be made or repairs are to be made

Then the second question Does the jury find by

clear and convincing evidence that the defendant's actions were willful and wanton, reckless and/or grossly negligent Answer yes or no If no, then no further deliberations on that If yes, you indicate the amount of punitive damages you are awarding You will sign and date the verdict form

Madam Forelady, you are not authorized to sign the verdict form until all of you have agreed as to what the verdict should be

Now, please go to the jury room at this time I know we have ordered lunch, I guess it's there You can eat and then deliberate while eating, whatever you prefer, it is up to you but do not begin to discuss the case until you receive a copy of this jury charge and the exhibits Once you receive these things, that will be your signal to begin your deliberations Once you begin your deliberations you will deliberate until you have reached a verdict, at which time you will knock on the door, advise the bailiffs, who will bring you in to receive your verdict

Please go to the jury room at this time, everyone except the three alternates The three alternates that were selected, those alternates will stay with us, they being Miss Sharon Brown, Lauren A Purcell and Jacqueline Emhoff You all stay with us while the

others go to the jury room

JUROR Can they eat with us?

THE COURT No

(The jury was excused from the courtroom)

THE COURT The bailiffs will pull your lunch out of the jury room But we select extra jurors It is very rare on a long case that all jurors make it through the entire trial and the prediction was that they might not have made it and in that event the three of you one by one would be plugged in, and we had some close calls but the others made it at some point in time, so we cannot use you in the end deliberating but we certainly want to express thanks on behalf of everyone for your service and hope this experience has proven to be beneficial and you have invested a lot of time and energy and we certainly appreciate it I'm sure all the lawyers as well

MR HENRY As well, Your Honor

MR FOSMIRE Certainly

THE COURT And, so, we'll need to have you just stand right outside the door and wait in the hallway and the bailiffs will get lunch from the jury room and anything else that you might have there and then you are discharged

Any words to them? Your check will be mailed to

you for your jury service The check is in the mail You are released from jury duty You are welcome to stay if you would like to, you can take a seat in the back of the courtroom or can you go if you would like to Thank you all

(Alternate jurors excused from the courtroom)

THE COURT All right, additions or exceptions to the charge?

MR HENRY Your Honor, on behalf of the plaintiffs we except to a charge of mitigation There was no proof in the record whatsoever that the plaintiffs in any way failed to mitigate

In addition, Your Honor, we except to the charge of reliance on subcontractors Since Your Honor found as matter of law that they were negligent, I don't think the reliance on the subcontractors is of any consequence

THE COURT All right

Mr Fosmire?

MR FOSMIRE Your Honor, one exception to note Right after you had spoken of the amalgomation of the entities you then went into negligence elements and we, and you were talking about straight negligence You used the word willful, wanton, recklessness in charging negligence early on, and we'll except to that, that

verbiage

THE COURT All right

MR HENRY One other matter, Your Honor We would request that the jury be charged that there was a fiduciary duty The cases clearly say there is a fiduciary duty, unless I didn't hear it, Your Honor discuss fiduciary duty, what it was, but did not instruct the jury there was a fiduciary duty

THE COURT All right

MR FOSMIRE We would object to that, obviously, Judge, I think that is a charge on the facts

THE COURT All right All exceptions are noted for the record If you all will collaborate on the exhibits

MR COLE Your Honor, we do have a couple things, some exhibits that are in but we never used, we agreed we're just going to take out

THE COURT You all collaborate on the exhibits Whenever you have agreed make sure it's on the record if it involves withdrawing any exhibits

MR COLE That is what I wanted to do, Your Honor, do it on the record Do you want to do it now?

THE COURT Yes, sir, because the jury is about to get the exhibits

MR COLE All right The first one, Your Honor,

JUROR Yes, sir
THE COURT Is it a unanimous verdict?
JUROR Yes, sir
THE COURT If you will pass it to the Clerk
Ladies and gentlemen of the jury, concerning the Tony L Pope and Lynn S Pope versus Heritage, per the jury instructions, you cannot award punitive damages if you do not award actual damages I need to have you return back to the jury room Do not discuss the case Well, I'll have you sit there a moment and have counsel approach
(Unrecorded bench conference)
THE COURT Ladies and Gentlemen, I repeat to you you cannot award punitive damages if you award no actual damages That is what is called an inconsistent verdict It is inconsistent with the instructions that you were given and that inconsistency applies to Tony L Pope and Lynn S Pope versus Heritage Therefore I need you to go back to the jury room, taking both verdict forms with you again and continue your deliberations until you reach a verdict
JUROR May we have our instructions? We must have misunderstood, we apologize
THE COURT All right I don't have the instructions Did you leave them in the jury room?

JUROR Right there
THE COURT They are still in the jury room Did you bring some back?
THE CLERK They are still in the jury room
THE COURT All right They are in the jury room Do you know where you left them in the jury room?
JUROR I thought we were supposed to hand everything in If we don't find them we'll let the bailiff know
THE COURT I will be happy to re-emphasize that point of the instruction if you would like me to do so
JUROR Please
THE COURT Actually I do not see it on the instructions It isn't something that is typically on a jury instruction It is a fairly common principle of law that a jury can't -- in order to award punitive damages you must find some actual damages If you do not find that the plaintiff is entitled to any actual damages for loss of use of the condominium units, then you cannot award punitive damages, the two must be reconciled, and they are not in reconcilable form
With that, I ask that you return to the jury room
(The jury was excused from the courtroom)
THE COURT That paragraph was taken off when we directed a verdict and found they must find damages in

the homeowners', the POA's claim It was deleted from the instruction but it should have stayed in to apply to the other case where they are not required to find damages That probably led to some confusion by the jury

Are there any additions or exceptions to that instruction?

MR HENRY None from the plaintiff

MR FOSMIRE No, Your honor, not to what you said

THE COURT All right

(Recessed at 5 53 p m)

(Reconvened at 6 25 p m)

THE COURT I think we have a verdict If you will, bring in the jury

(The jury returned to the courtroom)

THE COURT All right, Madam Forelady, if you will stand for me

JUROR Yes, sir

THE COURT Have you reached a verdict?

JUROR Yes, sir

THE COURT Is it unanimous?

JUROR Yes, sir

THE COURT All right, if you will pass it over

All right, Madam Clerk, you may publish the

verdict

THE CLERK Yes, sir

(Jury verdict published)

THE CLERK Madam Forelady, ladies and gentlemen of the jury, if this is your verdict please signify so by raising your right hand

Thank you

THE COURT All right, the verdict appears to be a unanimous verdict Any additional poll requested?

MR FOSMIRE None from the defense, Your Honor

MR HENRY None from the plaintiff, Your Honor

THE COURT All right Ladies and gentlemen, this will bring your long jury service in this case and for this county to an end I want to thank you for your service on this case I trust that you all have gained something beneficial from this experience In fact I know you have You know how to build a house, almost, or condominium at least Take that and go with it

Certainly you're not called upon often to serve and you have responded admirably with your service and I want to thank you on behalf of all the parties involved This will complete your jury service The county folks will send a check to you for the compensation you get for serving on jury duty and I want to thank you on behalf of the plaintiff and the

THIS AGREEMENT CONTAINS A BINDING, IRREVOCABLE AGREEMENT TO ARBITRATE AND IS SUBJECT TO ARBITRATION PURSUANT TO TITLE 15, CHAPTER 48 (UNIFORM ARBITRATION ACT) OF THE CODE OF LAWS OF SOUTH CAROLINA

FILED
HORRY COUNTY, S C
97 OCT 30 PM 3 45

MASTER DEED

FOR

RIVERWALK AT ARROWHEAD GOLF CLUB

HORIZONTAL PROPERTY REGIME

COPY

DEFENDANT'S EXHIBIT #1

1987-1121

MASTER DEED

		Page
I	Property Description	1
II.	Survey and Description of Improvement	1
III	Additional Phases and Easements Therefore	2
IV	Units, Common Elements and Limited Common Elements	4
V	Ownership of Units and Appurtenant Interest in Common Elements and Prohibition against Separate Ownership of Garage Units by Non-Residential Unit Owners	5
VI	Restriction Against Further Subdividing of Units and Separate Conveyance of Appurtenant Common Elements, Etc.	6
VII	Condominium Subject to Restrictions, Etc	7
VIII	Perpetual Non Exclusive Easement in Common Elements	7
IX.	Easements for Utilities	7
X.	Easement for Unintentional and Non-Negligent Encroachments	8
XI	Restraint Upon Separation and Partition of Common Elements	8
XII	Percentage of Undivided Interest in Common Elements Appurtenant to Each Unit	8
XIII	Easement for Air Space	9
XIV	Administration of Riverwalk at Arrowhead Golf Club (A Condominium) by Riverwalk at Arrowhead Golf Club Property Owners Association Inc	9
XV	Residential Use Restriction Applicable to Units	10
XVI.	Use of Common Elements Subject to Rules of Association	10
XVII.	Condominium to be used for Lawful Purposes, Restriction Against Nuisances, Etc.	11

XVIII	Right of Entry into Units in Emergencies	12
XIX.	Right of Entry for Maintenance of Common Elements	12
XX	Limitation Upon Right of Owners to Alter and Modify Units	12
XXI	Right of Association to Alter and Improve Common Elements and Assessments Therefore	13
XXII	Maintenance and Repair by Owners of Unit	14
XXIII	Maintenance and Repair of Common Elements by Association	15
XXIV	Personal Liability and Risk of Loss of Owner of Unit and Separate Insurance Coverage, Etc	16
XXV	Insurance coverage to be Maintained by the Association Insurance Trustee, Appointment and Duties Approval of Insurers by Institutional Lender; Use and Distribution of Insurance Proceeds, Etc	17
XXVI	Apportionment of Tax or Special Assessment if Levied and Assessed Against the Condominium as a Whole	20
XXVII.	The Association to Maintain Registry of Owners and Mortgagees	21
XXVIII	Assessment, Liability Lien and Enforcement	21
XXIX	Termination	27
XXX	Amendment of Master Deed	28
XXXI	Remedies in Event of Default	30
XXXII	Use or Acquisition of Interest in the Condominium to Render User or Acquirer Subject to Provisions of Master Deed Rules and Regulations	31
XXXIII	Right of Grantor to Sell or Lease Unit Owned by it and Right of Grantor to Representation on Board of Directors of the Association	31
XXXIV	Annual Reports to be Provided to Lender	32
XXXV	Severability	32

XXXVI	Liberal Construction and Adoption of Provisions of Condominium Act	32
XXXVII.	Master Deed Binding Upon Grantor its Successors and Assigns, and Subsequent Owners	33
XXXVIII.	Definitions	33
XXXIX.	Arbitration	35
XL	Exhibit "A"	A
XLI	Exhibit "B"	B
XLII	Exhibit "C"	D
XLIII.	Exhibit "D" - Articles of Incorporation	G
XLIV	Exhibit "E" - Bylaws	L
XLV	Exhibit "F"	Z

MASTER DEED

for

Riverwalk at Arrowhead Golf Club

Horizontal Property Regime

Horry County, South Carolina

****

Heritage Riverwalk, Inc A South Carolina Corporation, having its principal office at Myrtle Beach, County of Horry, State of South Carolina, hereinafter referred to as the GRANTOR, as the sole owner in fee simple of the land and improvements hereinafter described, does hereby make, declare and publish its intention and desire to submit, and does hereby submit, the lands and buildings hereinbelow described (Phase I) together with all other improvements thereon, including all easements, rights and appurtenances thereto belonging, to a Horizontal Property Regime (sometimes termed "condominium" ownership) to be known as the Riverwalk at Arrowhead Golf Club in the manner provided for by Sections 27 31-10 through 27-31-300 (both inclusive) of Chapter 31 entitled "Horizontal Property Act of the 1976 Code of Laws of South Carolina", as amended (the "Act") In conformity with Sections 27-31 30 and 27-31 100 of said Act, the GRANTOR sets forth the following Particulars

I

The lands and improvements which are hereby submitted to the Horizontal Property Regime are described as follows·

FOR PROPERTY DESCRIPTION SEE ATTACHED EXHIBIT "A", WHICH IS INCORPORATED HEREIN AND MADE A PART AND PARCEL HEREOF

II

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Annexed hereto and expressly made a part hereof, as Exhibit B, is a plot plan showing the location of the land buildings and other improvements comprising Phase I, and a set of floor plans of the buildings which show graphically the dimensions, area and location of each UNIT therein and the dimensions area, and location of the COMMON ELEMENTS and LIMITED COMMON

1

ELEMENTS affording access to each UNIT Each UNIT is identified by a specific number on said Exhibit B and no UNIT bears the same designation as any other UNIT Exhibit B is also recorded as a separate condominium plat in the public records of Horry County, maintained by the Register of Mesne Conveyances.

III

ADDITIONAL PHASES AND EASEMENTS THEREFORE

In addition to the lands with improvements thereon in Phase I the GRANTOR may construct additional UNITS on property contiguous to or near the property described in Paragraph I herein and submit same to the Riverwalk at Arrowhead Golf Club Horizontal Property Regime in additional phases not to exceed 100 phases (including Phase I) The additional property shall be referred to as "Phase II" 'Phase III", "Phase IV" and continuing on with additional phases numbered consecutively through Phase C" Each additional phase shall consist of one building containing not less than nine (9) Residential UNITS (as hereinafter defined) and not more than fifteen (15) Residential UNITS and associated COMMON ELEMENTS and may also contain from zero (0) to eight (8) Garage UNITS (as hereinafter defined in a separate building) In the event the GRANTOR exercises its right and option to add Phases II through C (or any one or more of said Phases), the property of said phase then submitted will become an integral part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime once the appropriate amendment to this Master Deed has been filed as hereinafter provided. Further, there is reserved by the GRANTOR, for itself, its successors or assigns, in, over, across, under and upon the properties shown as Phase I (and each additional phase(s) which is submitted to the terms and provisions of this Master Deed) all easements and rights of ingress and egress necessary and convenient for the construction of the said Phases II through C, or any one or more of them, as the case may be, which such easements shall remain in full force and effect for such time as the GRANTOR, its successors and/or assigns retains the option of submitting the said Phases II through C or any one or more of them to the Regime The easements reserved by the GRANTOR shall include but not be limited to the easements expressly reserved by the GRANTOR pursuant to the terms of this Master Deed and the Exhibits and Amendments hereto as well as non exclusive easements over the roads driveways and parking areas for ingress and egress (including vehicular ingress and egress) and over any of the Common Elements for the installation and maintenance of utilities Such easements may be assigned, mortgaged or otherwise conveyed by GRANTOR, including a partial or non-exclusive assignment, mortgage or conveyance of such rights held by GRANTOR.

The GRANTOR hereby reserves unto itself its successors or assigns, the right and option to be exercised at its sole discretion, to submit the Phases II through C property to the provisions of this Master Deed, thereby causing such Phase(s), to become and be a part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime The GRANTOR may elect to exercise this right or option as to Phases II through C no later than twenty (20) years from the filing of this Master Deed. Each additional Phase shall be added only upon execution by the GRANTOR, its successors or assigns within the time specified herein, of an amendment or amendments to this Master Deed which shall

be filed of record in the Office of the Register of Mesne Conveyances for Horry County South Carolina. Any such amendment shall expressly submit such Phase to all of the provisions of this Master Deed and the By Laws of Riverwalk at Arrowhead Golf Club Property Owners' Association, Inc made a part hereof as either or both may be amended. Upon the exercise, if any of this right or option, the provisions of this Master Deed and all exhibits hereto shall then be construed and understood as embracing Phase I (the basic property" herein defined) and any future Phase(s) so submitted, as appropriate together with all improvements then or thereafter constructed Should the GRANTOR fail to exercise its right or option within the time specified herein, then in that event, said option shall expire and be of no further force or effect

Although the site plan or other plans for the Riverwalk at Arrowhead Golf Club Horizontal Property Regime may show or depict certain amenities to be constructed as part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime, the GRANTOR shall have no obligation to construct any such amenities until such time, if at all, that the GRANTOR exercises its option to submit the phase of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime actually containing such amenities In the event that the GRANTOR does not construct and submit any phase to the terms and provisions of this Master Deed thereby making it a part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime the GRANTOR shall have no obligation whatsoever to construct any amenity associated with that phase of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime as provided for in this paragraph.

The right to submit the additional Phases to the Horizontal Property Regime is assignable by the GRANTOR. If GRANTOR elects to assign such right, the assignee shall be solely responsible therefor including but not limited to the quality of construction and compliance with this Master Deed.

The GRANTOR shall be under no obligation to construct or submit Phase III or any subsequent phase(s) Should Phase III or any subsequent Phase be constructed and submitted, GRANTOR shall be under no obligation to submit any future Phase(s). The construction and submission of each Phase shall be at the sole option of the GRANTOR. Further, GRANTOR may submit any Phase(s) to the provisions of this Master Deed in any order notwithstanding the numerical sequence thereof.

Each Phase shall be depicted on a map or plat showing the boundaries of the Phase and the location thereon of all improvements amenities parking, etc Phase I and each additional Phase as constructed and submitted, shall constitute the entirety of the Regime and the Regime, the Association (as hereinafter defined) and the Owners of UNITS shall not acquire any rights as to any properties not depicted thereon and specifically submitted to the provisions of this Master Deed The "site plan", "floor plans" and all other Exhibits attached hereto incorporated herein and/or associated herewith which depict or refer to any Phase which has not been specifically made a part hereof by amendment as herein provided shall be of no force or effect as to such additional phase(s) until such Phase has been incorporated herein by amendment. No such site plan" etc shall constitute a warranty or representation that any additional Phase will be constructed or submitted or that any amenity is or will be constructed or submitted. Until such time, if at all, as an additional

Phase is submitted to the terms of this Master Deed by amendment as herein required, all real estate upon which additional Phases may be added may be used for any lawful purpose by the Owner thereof

ALTHOUGH PORTIONS OF THE RIVERWALK AT ARROWHEAD GOLF CLUB HORIZONTAL PROPERTY REGIME MAY BE LOCATED ADJACENT TO PROPERTY ON WHICH IS CURRENTLY LOCATED A GOLF COURSE AND RELATED FACILITIES SUCH GOLF COURSE AND RELATED FACILITIES ARE OWNED BY AN UNRELATED THIRD PARTY AND ARE NOT OWNED OR CONTROLLED BY GRANTOR. NO OWNER SHALL ACQUIRE ANY RIGHTS IN SUCH GOLF COURSE AND RELATED FACILITIES BY VIRTUE OF HIS OWNERSHIP OF A UNIT(S) WITHIN THE RIVERWALK AT ARROWHEAD GOLF CLUB HORIZONTAL PROPERTY REGIME FURTHER, GRANTOR MAKES NO REPRESENTATIONS REGARDING THE CONTINUED EXISTENCE OF SAID GOLF COURSE OR AS TO THE FUTURE USE OF THE PROPERTY ON WHICH SAID GOLF COURSE IS CURRENTLY LOCATED

IV

UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

The CONDOMINIUM consists of UNITS COMMON ELEMENTS and LIMITED COMMON ELEMENTS as said terms are hereinafter defined.

UNITS as the term is used herein, shall mean either a Residential UNIT or a Garage UNIT, as follows

A Residential UNITS shall mean and comprise the twelve (12) separate and numbered UNITS which comprise Phase I and which are described in Exhibit B to this Master Deed, excluding, however, all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings of each UNIT, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior loadbearing walls and/or unfinished bearing partitions, and further excluding all pipes, ducts, wires conduits and other facilities running through any interior wall or partition for the furnishing of utility services to UNITS and COMMON ELEMENTS

B Garage UNITS, shall mean the separate and numbered UNITS, if constructed and submitted to this Master Deed in future phases, designated as Garage UNITS in the Amendment to this Master Deed filed by Grantor, excluding, however all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings of each UNIT and further excluding all spaces and

improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior loadbearing walls and/or unfinished bearing partitions and further excluding all pipes ducts wires, conduits and other facilities running through any interior wall or partition from the furnishing of utility services to the Garage Units

COMMON ELEMENTS as the term is used herein, shall mean and comprise all of the real property, improvements and facilities of the CONDOMINIUM other than the UNITS as same are hereinabove defined and shall include easements through UNITS for conduits, pipes, ducts plumbing wiring and other facilities for the furnishing of utility service to UNITS and COMMON ELEMENTS easements of support in every portion of a UNIT which contributes to the support of the improvements and shall further include all personal property held and maintained for the joint use and enjoyment of all of the Owners of all such UNITS The term "COMMON ELEMENTS" may be further defined in other provisions of this Master Deed and the exhibits and amendments hereto by specific designation of certain improvements and facilities as COMMON ELEMENTS Such further designation of COMMON ELEMENTS shall not act to limit the definition of COMMON ELEMENTS as herein provided but is intended to be in addition thereto

LIMITED COMMON ELEMENTS, as the term is used herein shall mean and comprise the following (A) The surface areas railing and/or walls of all balconies screened porches, decks or grade level patios accessible by normal means from the UNIT (including fences and railings) immediately adjacent to the UNIT and all storage closets located outside of the Units which are designated for the exclusive use and benefit of a single UNIT in this Master Deed and Amendments hereto, (B) All water power, telephone electricity plumbing gas and sewage lines located in the UNIT provided, however, that the portion of said lines located in a common compartment for or installation of, such lines shall be COMMON ELEMENTS as described above LIMITED COMMON ELEMENTS are intended for the exclusive use and benefit of the UNIT which it is associated with. In all other respects and except as specifically provided in this Master Deed, LIMITED COMMON ELEMENTS shall be treated as, and included within the definition of the term COMMON ELEMENTS

V

OWNERSHIP OF UNITS AND APPURTENANT INTEREST IN COMMON ELEMENTS AND PROHIBITION AGAINST SEPARATE OWNERSHIP OF GARAGE UNITS BY NON-RESIDENTIAL UNIT OWNERS

Subject to the restrictions applicable to Garage UNITS set out below, each UNIT shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner or Owners of each UNIT shall own, as an appurtenance to the ownership of each said UNIT, an undivided interest in the COMMON ELEMENTS the undivided interest appurtenant to each said UNIT being that which is hereinafter specifically assigned thereto The percentage of undivided interest in the COMMON ELEMENTS assigned to each UNIT shall not be changed except with the

unanimous consent of all of the Owners of all of the UNITS and except as provided in Article III with regard to the amendments of this Master Deed to admit additional Phase(s) into this Horizontal Property Regime There shall also be appurtenant to each UNIT the exclusive right to the use of the LIMITED COMMON ELEMENTS appurtenant to that UNIT in accordance with the provisions of this Master Deed.

Other than Grantor, a Garage UNIT may not be owned by any person other than an Owner of a Residential UNIT If the Owner of a Residential UNIT and a Garage UNIT conveys the Residential UNIT separately without having previously conveyed the Garage UNIT to another Residential UNIT Owner, title to the Garage UNIT shall be deemed to be conveyed with the Residential UNIT

VI

RESTRICTION AGAINST FURTHER SUBDIVIDING
OF UNITS AND SEPARATE CONVEYANCE
OF APPURTENANT COMMON ELEMENTS, ETC.

No UNIT may be divided or subdivided into a smaller UNIT than as shown on Exhibit B attached hereto nor shall any UNIT or portion thereof, be added to or incorporated into any other UNIT, except as provided in Exhibit B hereto The undivided interest in the COMMON ELEMENTS and the right as to the LIMITED COMMON ELEMENTS declared to be an appurtenance to each UNIT shall not be conveyed, devised encumbered or otherwise dealt with separately from said UNIT, and the undivided interest in COMMON ELEMENTS appurtenant to each UNIT shall be deemed conveyed devised encumbered, or otherwise included with the UNIT even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering, or otherwise dealing with such UNIT Any conveyance, mortgage or other instrument which purports to affect the conveyance, devise or encumbrance, or which purports to grant any right, interest or lien in to or upon, a UNIT, shall be null, void and of no effect insofar as the same purports to affect any interest in a UNIT and its appurtenant undivided interest in COMMON ELEMENTS, and the right as to the LIMITED COMMON ELEMENTS unless the same purports to convey devise encumber or otherwise trade or deal with the entire UNIT Any instrument conveying, devising, encumbering or otherwise dealing with any UNIT which describes said UNIT by the UNIT Number assigned thereto in Exhibit B without limitation or exception, shall be deemed and construed to affect the entire UNIT and its appurtenant undivided interest in the COMMON ELEMENTS and its right as to the LIMITED COMMON ELEMENTS Nothing herein contained shall be construed as limiting or preventing ownership of any UNIT and its appurtenant undivided interest in the COMMON ELEMENTS by more than one person or entity as tenants in common, or joint tenants Further nothing contained herein shall be construed as limiting or preventing the GRANTOR, its successors or assigns, from adding additional phase(s) as provided herein

VII

CONDOMINIUM SUBJECT TO RESTRICTIONS, ETC.

The UNITS COMMON ELEMENTS and LIMITED COMMON ELEMENTS shall be, and the same are hereby declared to be subject to the restrictions easements, conditions and covenants prescribed and established herein, governing the use of said UNITS and COMMON ELEMENTS and setting forth the obligations and responsibilities incident to ownership of each UNIT and its appurtenant undivided interest in the COMMON ELEMENTS and said UNITS and COMMON ELEMENTS are further declared to be subject to the restrictions, easements, conditions, and limitations now of record affecting the land and improvements of the CONDOMINIUM

VIII

PERPETUAL NON EXCLUSIVE EASEMENT IN COMMON ELEMENTS

The COMMON ELEMENTS shall be and the same are hereby declared to be subject to a perpetual non-exclusive easement in favor of all of the Owners of UNITS in the CONDOMINIUM for their use and the use of their immediate families guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Owners of UNITS Notwithstanding anything above provided in this Article, Riverwalk at Arrowhead Golf Club Property Owners' Association, Inc , hereinafter identified, shall have the right to establish the rules and regulations pursuant to which the Owner or Owners of any UNIT may be entitled to the exclusive use of any parking space or spaces. Provided further, that if the Board of Directors of said Association determines it to be in the best interest of all of the Co-owners the Board of Directors may hereafter grant easements for the benefit of the Regime Property and the Co-owners Each Co-owner, by the acceptance of the deed to his UNIT does hereby grant to the Board of Directors an irrevocable power of attorney to execute, deliver and record for and in the name of each Co-owner, such instruments as may be necessary and proper to the granting of such easements.

IX.

EASEMENTS FOR UTILITIES

GRANTOR hereby reserves, for the benefit of itself its successors and assigns the alienable, transferable and perpetual right and easement, as well as the power and authority to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person or company upon, over, under and across all or any portion of the COMMON ELEMENTS for constructing installing replacing, repairing, operating, maintaining and using master television antenna, television cable systems and/or telephone systems Such easements may be granted or accepted by GRANTOR with respect to the COMMON ELEMENTS without notice to or consent by the ASSOCIATION or UNIT Owners Telephone, master television

antennas and/or cable system services may be provided to the project pursuant to the terms of agreements between the ASSOCIATION and GRANTOR, its affiliates its successors or assigns, or third parties However, nothing herein shall obligate GRANTOR to provide any such services.

X

EASEMENT FOR UNINTENTIONAL AND NON NEGLIGENT ENCROACHMENTS

If any portion of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS now encroaches upon any UNIT or if any UNIT now encroaches upon any other UNIT or upon any portion of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS as a result of the construction or repair of any building or if any such encroachment shall occur hereafter as a result of settlement or shifting of any building or otherwise a valid easement for the encroachment and for the maintenance of the same so long as the building stands, shall exist. In the event any building any UNIT, any adjoining UNIT or any adjoining COMMON ELEMENT or LIMITED COMMON ELEMENTS shall be partially or totally destroyed as the result of fire or other casualty or as the result of condemnation or eminent domain proceedings and the reconstructed building UNIT or part of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS encroaches upon any UNIT or over any UNIT or upon any portion of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS due to such reconstruction, the reconstruction shall be permitted and valid easements for such encroachments and maintenance thereof shall exist so long as the building shall stand.

XI

RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

Recognizing that the proper use of a UNIT by any Owner or Owners is dependent upon the use and enjoyment of the COMMON ELEMENTS in common with the Owners of all other UNITS, and that it is in the interest of all Owners of UNITS that the ownership of the COMMON ELEMENTS be retained in common by the Owners of UNITS in the Condominium, it is declared that the percentage of the undivided interest in the COMMON ELEMENTS appurtenant to each UNIT shall remain undivided and no Owner of any UNIT shall bring or have any right to bring any action for partition or division. Provided, however the Co-owner's interest in the COMMON ELEMENTS may be diminished by the addition of Phase II or any additional phase(s), as set forth in Article III herein

XII

PERCENTAGE OF UNDIVIDED INTEREST IN
COMMON ELEMENTS APPURTENANT TO EACH UNIT

The undivided interest in the COMMON ELEMENTS appurtenant to each UNIT in Phase I is that percentage of undivided interest which is set forth and assigned to each UNIT in that certain Schedule which is annexed hereto and expressly made a part hereof as Exhibit C, or following

submission of additional Phase(s) calculated in accordance with the schedule set forth in Exhibit "C"

XIII

EASEMENT FOR AIR SPACE

The Owner of each UNIT shall have an exclusive easement for the use of the air space occupied by said UNIT as it exists at any particular time and as said UNIT may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time

XIV

ADMINISTRATION OF
RIVERWALK AT ARROWHEAD GOLF CLUB (A CONDOMINIUM)
BY RIVERWALK AT ARROWHEAD COUNTRY CLUB
PROPERTY OWNERS' ASSOCIATION, INC.

To efficiently and effectively provide for the administration of the CONDOMINIUM by the Owners of UNITS a non profit South Carolina corporation known and designated as the Riverwalk at Arrowhead Country Club Property Owners' Association, Inc , has been organized, and said corporation shall administer the operation and management of the CONDOMINIUM and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Master Deed, and in accordance with the terms of the Articles of Incorporation of the Riverwalk at Arrowhead Country Club Property Owners' Association Inc. hereinafter referred to as the ASSOCIATION, and By-Laws of said corporation. A true copy of the Articles of Incorporation and By-Laws of the ASSOCIATION are annexed hereto and expressly made a part hereof as Exhibit D and Exhibit E, respectively The Owner or Owners of each UNIT shall automatically become members of the ASSOCIATION upon his their or its acquisition of an ownership interest in any UNIT and its appurtenant undivided interest in COMMON ELEMENTS, and the membership of such Owner or Owners shall terminate automatically upon each Owner or Owners being divested of such ownership interest in such UNIT regardless of the means by which such ownership may be divested. No person firm or corporation holding any lien, mortgage or other encumbrance upon any UNIT shall be entitled by virtue of such lien, mortgage or other encumbrance to membership in the ASSOCIATION or to any of the rights or privileges of such membership In the administration of the operation and management of the CONDOMINIUM, the ASSOCIATION shall have and is hereby granted the authority and power to enforce the provisions of this Master Deed, levy and collect assessments in the manner hereinafter provided, and to adopt promulgate and enforce such rules and regulations governing the use of the UNITS, COMMON ELEMENTS and LIMITED COMMON ELEMENTS as the Board of Directors of the ASSOCIATION may deem to be in the best interest of the CONDOMINIUM

XV

USE RESTRICTIONS APPLICABLE TO UNITS

A Residential UNITS Each Residential UNIT is hereby restricted to residential use by the Owner or Owners thereof, their immediate families guests and invitees provided, however, there shall be no restriction as to the length of time which an Owner may rent his or her UNIT Further, provided, however, that so long as GRANTOR shall retain any interest in any UNIT or have the right to add any additional phase(s) to the CONDOMINIUM, it may utilize a UNIT or UNITS of its choice from time to time, for sales offices models and/or other usages for the purpose of selling and marketing UNITS in the CONDOMINIUM or in other projects in which GRANTOR may have an interest. Further still, GRANTOR may assign this commercial usage right to such other persons or entities as it may choose; provided, however, that when all UNITS have been conveyed and the GRANTOR, its successors and assigns, no longer has the right to add any additional PHASES(S) to the CONDOMINIUM this right of commercial usage shall immediately cease Further the GRANTOR shall have the right and easement to install and maintain signage on portions of the COMMON ELEMENTS to be used relative to GRANTOR S marketing of UNITS within the CONDOMINIUM as long as GRANTOR owns a UNIT(S) within the CONDOMINIUM or has the right to add an additional PHASE(S) to the CONDOMINIUM

B Garage UNITS Each Garage UNIT is hereby restricted to use by the Owner or Owners thereof as a storage facility for automotive vehicles and watercraft, subject to the provisions herein contained. The Garage UNIT must be kept closed at all times, except when entering or exiting UNIT No living facilities may be established within a Garage UNIT No Garage UNIT owner shall cause or permit the presence, use, disposal, storage or release of any hazardous substances within a Garage UNIT No animals or pets are allowed in a Garage UNIT Grills may not be stored within a Garage UNIT

C No UNIT (both Residential UNITS and Garage UNITS) or any portion thereof may be submitted to a plan of interval ownership or any form of timesharing Provided however nothing herein shall be construed as limiting the right of any Owner of any UNIT from renting or leasing his or its UNIT

XVI

USE OF COMMON ELEMENTS SUBJECT TO
RULES OF ASSOCIATION

The use of COMMON ELEMENTS and LIMITED COMMON ELEMENTS by the Owner or Owners of all UNITS and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use or which may hereafter be prescribed and established by the ASSOCIATION

In addition to the rules and regulations promulgated by ASSOCIATION, the property is hereby restricted such that the only pets which are permitted within the Horizontal Property Regime including the UNITS the COMMON ELEMENTS and LIMITED COMMON ELEMENTS are companion pets such as birds domesticated cats fish, dogs and other small mammals Under no circumstances are exotic cats, non-human primates, horses or other farm livestock or zoo type animals permitted within the Horizontal Property Regime Pets must be on a leash or carried when on any COMMON ELEMENTS Further the Board of Directors of the Association may restrict pets to certain designated areas within the COMMON ELEMENTS and may further establish rules regulating pets within the COMMON ELEMENTS It shall be the Owner's obligation to dispose of waste material from pets The Board of Directors of the ASSOCIATION shall have the right to order the removal of any pet which in the Board's sole discretion, is considered a nuisance, and the same shall be done without compensation to the Owner In such event, the Board shall give written notice thereof to the pet owner and the pet shall immediately thereafter be permanently removed from the Horizontal Property Regime A pet not on a leash shall be deemed a nuisance. Failure to properly dispose of the waste material from a pet shall be deemed a nuisance.

In addition to the rules and regulations promulgated by the Association, the property is hereby restricted such that no trailers campers mobile homes boats watercraft or unregistered abandoned or inoperable motor vehicles are permitted within the COMMON ELEMENTS or LIMITED COMMON ELEMENTS Provided however boats and other watercraft may be stored within Garage UNITS as long as such boats and other watercraft are completely enclosed within such Garage UNIT and the door to same is kept closed except when entering and exiting the Garage UNIT Further no motorcycles or motor bikes may be operated, located or maintained upon the property

In addition to the foregoing no gas or charcoal grills may be located within a UNIT or LIMITED COMMON ELEMENTS nor shall any other cooking devices be located, maintained or used on any LIMITED COMMON ELEMENT or COMMON ELEMENT (including decks, porches or patios notwithstanding whether same is part of a UNIT, the COMMON ELEMENTS or LIMITED COMMON ELEMENTS) except for grills provided by the Association and specifically designated for such use by ASSOCIATION

XVII

CONDOMINIUM TO BE USED FOR LAWFUL PURPOSES RESTRICTION AGAINST NUISANCES, ETC.

No immoral improper, offensive or unlawful use shall be made of any UNIT or of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS, or any part thereof and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the CONDOMINIUM shall be observed No Owner of any UNIT shall permit or suffer anything to be done or kept in his UNIT the COMMON ELEMENTS or LIMITED COMMON ELEMENTS,

which will increase the rate of insurance on the CONDOMINIUM or which will obstruct or interfere with the rights of other occupants of the building or annoy them by unreasonable noises and no Owner shall undertake any use or practice which shall create and constitute a nuisance to any other Owner of a UNIT or which shall interfere with the peaceful possession and proper use of any other UNIT, COMMON ELEMENTS or LIMITED COMMON ELEMENTS

XVIII

RIGHT OF ENTRY INTO UNITS IN EMERGENCIES

In case of any emergency originating in or threatening any UNIT, regardless of whether the Owner is present at the time of such emergency the Board of Directors of the ASSOCIATION or any other person authorized by it, shall have the right to enter such UNIT and the LIMITED COMMON ELEMENTS for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate To facilitate entry in the event of any such emergency, the Owner of each UNIT shall deposit under the control of the ASSOCIATION a key to such UNIT

XIX

RIGHT OF ENTRY FOR MAINTENANCE OF COMMON ELEMENTS

Whenever it is necessary to enter any UNIT for the purpose of performing any maintenance, alteration or repair to any portion of the COMMON ELEMENTS, the Owner of each UNIT shall permit the duly constituted and authorized Agent of the ASSOCIATION to enter such UNIT and its LIMITED COMMON ELEMENTS, provided that such entry shall be made only at reasonable times and with reasonable advance notice. In that regard, ASSOCIATION, or its designated contractor shall perform monthly service for pest control which will include spraying within each UNIT and each Owner of a UNIT is hereby so notified

XX

LIMITATION UPON RIGHT OF OWNERS
TO ALTER AND MODIFY UNITS

No Owner of a UNIT shall permit any structural modifications or alterations without first obtaining the written consent of the ASSOCIATION, which consent may be withheld in the event that a majority of the Board of Directors of the ASSOCIATION determines in its sole discretion, that such structural modifications or alterations would affect or in any manner endanger the building in part or in its entirety or adversely affect the aesthetics of the building No Owner shall cause any balcony porch deck or patio abutting his UNIT to be enclosed, or cause any improvements or changes to be made on the exterior of the building including painting or other decoration, or the installation of electrical wiring television antenna, machines or air conditioning units which may protrude through the walls or roof of the building, or in any manner change the appearance of any

portion of the building not within the walls of such UNIT, or affix storm panels or awnings, without the written consent of the ASSOCIATION being first obtained. Notwithstanding the foregoing, nothing herein shall limit the right of the GRANTOR to enclose balconies decks or porches as a part of the original construction of any building Further, no Owner of a Garage UNIT may cause any improvement or change to be made to the exterior door of such Garage UNIT including painting or other decoration, or in any manner change the appearance of the exterior of any portion of the Garage UNIT Building

Without limiting the foregoing, no Owner shall install any receiving or transmitting device which requires any exterior protrusion whatsoever, nor shall any antennae satellite dish or other receiving or transmitting device be located on any balcony porch, patio or deck Further, no clotheslines shall be placed or maintained on the exterior of any UNIT (including on any balconies, porches, patios or decks) In addition for the purpose of aesthetic harmony all window treatments shall include a uniform white backing which shall be visible from the exterior of the UNIT All patios balconies porches and decks which are LIMITED COMMON ELEMENTS shall be maintained in a neat and orderly appearance by the OWNER of the UNIT for which its use is intended Patios balconies, porches and decks shall not be used for storage To prevent unsightly conditions within the CONDOMINIUM, nothing shall be kept and maintained on or within any porches balconies, decks and patios except normal patio furniture and plants Further, no Owner, or his agent, may place any signs upon the COMMON ELEMENTS, or within his UNIT or the LIMITED COMMON ELEMENTS so as to be visible from the exterior of the UNITS including, without limitation "For Sale" signs Nothing herein shall limit the rights of GRANTOR to place signage upon the COMMON ELEMENTS

Any improvements or alterations made to a UNIT or COMMON ELEMENT by a UNIT Owner (other than Grantor) without authorization in accordance with the foregoing must be removed within thirty (30) days after notice from the Association or the Association may remove the unauthorized improvement or alteration and assess the Owner in violation any charges necessary for the removal

XXI

RIGHT OF ASSOCIATION TO ALTER AND IMPROVE COMMON ELEMENTS AND ASSESSMENTS THEREFOR

The ASSOCIATION shall not make or cause to be made alterations or improvements to the COMMON ELEMENTS which prejudice the rights of the Owner of any UNIT, unless such Owner's written consent has been obtained, provided however the making of such alterations and improvements must first be approved by the Board of Directors of the ASSOCIATION and, except as hereinafter provided, the cost of the alterations or improvements shall be assessed as a common expense to be collected from all of the Owners of UNITS according to the percentages set out in Exhibit C of the Master Deed Where any alterations and improvements are exclusively or substantially exclusively for the benefit of the Owner or Owners of a UNIT or UNITS requesting

the same, then the cost of such alterations and improvements shall be assessed against and collected solely from the Owner or Owners of the UNIT or UNITS exclusively or substantially exclusively benefitted, the assessment to be levied in such proportion as the percentage interests of each of the UNITS being benefitted bears to the total of the percentage interests of all of the UNITS benefitted as set forth on Exhibit "C" hereto

XXII.

MAINTENANCE AND REPAIR BY OWNERS OF UNITS

Every Owner must perform promptly all maintenance and repair work within his UNIT and of all LIMITED COMMON ELEMENTS to which such UNIT has exclusive use which, if omitted, would affect the CONDOMINIUM in its entirety or any part belonging to other Owners, and shall be expressly responsible for the damages and liability which his failure to do so may engender Further the Owner of each UNIT shall be liable and responsible for the maintenance, repair and replacement, as the case may be of all air conditioning and heating equipment, stoves refrigerators fans dryer vents and hoses all condensation lines serving the heating, ventilation and air-conditioning system for any UNIT, or other appliances or equipment now or hereafter located within such UNIT or serving that particular UNIT exclusively including any fixtures and/or their connections required to provide water light, power sewage and sanitary service to his UNIT Provided, however, ASSOCIATION , as a common expense shall maintain repair and replace any portions of the foregoing which are not part of a UNIT and which serve more than one (1) UNIT Such Owner shall further be responsible and liable for maintenance repair and replacement of any and all window glass wall ceiling and floor exterior surfaces, painting, decorating and furnishings and all other accessories which such Owner may desire to place or maintain in his UNIT and of all LIMITED COMMON ELEMENTS to which such UNIT has exclusive use Further and notwithstanding whether same is a part of the UNIT, a COMMON ELEMENT or a LIMITED COMMON ELEMENT each UNIT Owner shall be responsible for the maintenance, repair and replacement of all doors, door frames, windows, window frames and all screens (including those in any screened porches) associated with or used in conjunction with that UNIT The ASSOCIATION, at its expense shall be responsible for the painting of all exterior portions of the buildings including the exteriors of all doors doorframes and window frames (including the doors on any exterior storage closets) on a regular schedule In between the times set for such regular painting, each UNIT Owner shall be responsible for painting the exteriors of all doors, doorframes and window frames associated with that Owner's UNIT and doors on storage closets maintained by ASSOCIATION at such time as same is needed using a paint of the color, brand and type as is approved by the ASSOCIATION Wherever the maintenance, repair and replacement of any items for which the Owner of a UNIT is obligated to maintain, repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the ASSOCIATION the proceeds of the insurance received by the ASSOCIATION, or the Insurance Trustee hereinafter designated shall be used for the purpose of making such maintenance, repair or replacement except that the Owner of such UNIT shall be in said instance required to pay such portion of the costs of such maintenance, repair and replacement as shall by reason of the applicability of any deductibility

provision of such insurance exceed the amount of the insurance proceeds applicable to such maintenance repair or replacement. The porch, deck or patio floors, the walls facing the porch, deck or patio, and any porch, deck or patio railings attached to his UNIT shall be maintained by the Owner of that UNIT at his expense provided however said Owner shall take no action which will alter the exterior appearance of the building Should the Owner fail to provide the maintenance and/or repairs as required, the ASSOCIATION shall have the right to enter the UNIT to accomplish same at the sole cost and expense of the Owner and said cost and expense shall be charged against the Owner including the expense of making a key should Owner fail to deposit a key with the ASSOCIATION pursuant to the requirements of Article XII Any such costs and expenses shall become a lien on the UNIT in like manner as an assessment

XXIII

MAINTENANCE AND REPAIR OF COMMON ELEMENTS
BY ASSOCIATION

The ASSOCIATION at its expense shall be responsible for the maintenance repair and replacement of all of the COMMON ELEMENTS including those portions thereof which contribute to the support of the building and all conduits, plumbing wiring and other facilities located in the COMMON ELEMENTS for the furnishing of utility services to the UNITS and said COMMON ELEMENTS and further including the roadway named Riverwalk Drive", and should any incidental damage be caused to any UNIT by virtue of any work which may be done or caused to be done by the ASSOCIATION in the maintenance repair or replacement of any COMMON ELEMENTS the ASSOCIATION shall at its expense repair such incidental damage

It shall further be the obligation of the ASSOCIATION to perform the major repairs and replacements for which reserves have been established at successive intervals not longer than in accordance with the anticipated useful life of each such portion of the COMMON ELEMENTS as provided in Exhibit "F" attached hereto (the ' Maintenance Schedule") The Board of Directors of ASSOCIATION may however, cause such repairs and replacements to be undertaken at shorter intervals than those provided in the Maintenance Schedule The Board of Directors of ASSOCIATION may not defer or delay the timing of the repair and replacements of the portions of the COMMON ELEMENT as set forth in the Maintenance Schedule without the written consent of GRANTOR and all such repairs and replacements must be undertaken by ASSOCIATION at the times provided in the Maintenance Schedule unless the GRANTOR otherwise consents in writing In the event that no time is provided for in the Maintenance Schedule for any portion of the COMMON ELEMENTS the ASSOCIATION through its Board of Directors shall establish the timing of the maintenance and replacement thereof in accordance with the anticipated useful life thereof

The Board of Directors of ASSOCIATION shall cause the COMMON ELEMENTS to be inspected and evaluated annually by a professional engineer architect, qualified property inspector or other qualified professional, who shall then render a maintenance recommendation report to the Board of

Directors of the ASSOCIATION and to the Grantor as to the condition of the COMMON ELEMENTS as well as any recommendations for repairs and maintenance of the COMMON ELEMENTS Such report shall be used by ASSOCIATION to assist it in the performance of the maintenance of the COMMON ELEMENTS All of such reports shall be maintained in the files of ASSOCIATION and may be reviewed by any Owner, upon reasonable request The first such inspection shall occur not later than one (1) year from the date of the filing of this Master Deed. Each subsequent inspection shall occur annually between January 1 and July 1 of each year The cost of such inspection and report shall be a common expense The term "Qualified Professional" as used herein shall mean a person whose education, training and work experience, as well as licenses and other professional qualifications, qualifies such person to perform the services provided for herein, in the reasonable discretion of the Board of Directors, after review of such qualifications The Board of Directors shall report to the Association and the Grantor that any repair or maintenance suggested by such maintenance recommendation report has been corrected within sixty (60) days of receipt of such report

In addition to the foregoing, the Board of Directors of the ASSOCIATION shall cause to be maintained a termite bond covering the buildings comprising the CONDOMINIUM which will provide coverage for the repair replacement and retreatment of any portion of the buildings which are damaged or destroyed by infestation of termites or other wood-boring organisms Such bond shall be maintained in full force and effect at all times and the cost thereof shall be a common expense of the ASSOCIATION

The provisions of this Section XXIII may not be amended without the express written consent of the GRANTOR.

XXIV

PERSONAL LIABILITY AND RISK OF LOSS
OF OWNER OF UNIT AND SEPARATE
INSURANCE COVERAGE, ETC.

The Owner of each UNIT may at his own expense obtain insurance coverage for loss of or damage to any furniture, furnishings personal effects and other personal property belonging to such Owner and may, at his own expense and option, obtain insurance coverage against personal liability for injury to the person or property of another while within such Owner's UNIT or upon the COMMON ELEMENTS All such insurance obtained by the Owner of each UNIT shall, wherever such provision shall be available, provide that the insurer waives its right of subrogation as to any claims against other Owners of UNITS, the ASSOCIATION, and the respective servants agents and guests of said other Owners and the ASSOCIATION, and such other insurance coverage may be obtained from the insurance company from which the ASSOCIATION obtains coverage against the same risk, liability or peril if the ASSOCIATION has such coverage and if it is available Risk of loss of or damage to any furniture, furnishings personal effects and other personal property (other than such furniture, furnishings and personal property constituting a portion of the COMMON ELEMENTS)

belonging to or carried on the person of the Owner of each UNIT or which may be stored in any UNIT or in, to or upon COMMON ELEMENTS shall be borne by the Owner of each such UNIT All furniture, furnishings and personal property constituting a portion of the COMMON ELEMENTS and held for the joint use and benefit of all Owners of all UNITS shall be covered by such insurance as shall be maintained in force and effect by the ASSOCIATION as hereinafter provided The Owner of a UNIT shall have no personal liability for any damages caused by the ASSOCIATION any Owner or otherwise in connection with the use of the COMMON ELEMENTS The Owner of a UNIT shall be liable for injuries or damage resulting from an accident in his own UNIT to the same extent and degree that the Owner of a house would be liable for an accident occurring within the house

XXV

INSURANCE COVERAGE TO BE MAINTAINED BY THE ASSOCIATION
INSURANCE TRUSTEE, APPOINTMENT AND DUTIES
APPROVAL OF INSURERS BY INSTITUTIONAL LENDER
USE AND DISTRIBUTION OF INSURANCE PROCEEDS, ETC.

The following insurance coverage shall be maintained in full force and effect by the ASSOCIATION covering the operation and management of the CONDOMINIUM and the said CONDOMINIUM, meaning the UNITS and COMMON ELEMENTS to-wit.

A Casualty insurance covering all of the UNITS and COMMON ELEMENTS in an amount equal to the maximum insurance replacement value thereof exclusive of excavation and foundation costs as determined annually by the insurance carrier such coverage to afford protection against (i) loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsements, and (ii) such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings similar in construction, location and use to the CONDOMINIUM, including but not limited to vandalism malicious mischief, windstorm, wind driven rain damage, water damage and war risk insurance, if available

B Public liability and property damage insurance in such amounts and in such form as shall be required by the ASSOCIATION to protect the ASSOCIATION and the Owners of all UNITS including but not limited to water damage, legal liability hired automobile nonowned automobile and off premises employee coverage

C Worker's Compensation insurance to meet the requirements of law

D Director's and Officer's liability coverage providing coverage for the Directors and Officers of the ASSOCIATION

E Fidelity bond coverage shall be maintained for any agents of the Association and for the Management Agent

F Such other insurance coverage other than title insurance as the Board of Directors of the ASSOCIATION in its sole discretion may determine from time to time to be in the best interest of the ASSOCIATION and the Owners of all of the UNITS

All liability insurance maintained by the ASSOCIATION shall contain cross liability endorsements to cover liability of all Owners of UNITS as a group as to each UNIT Owner

Although pursuant to the foregoing the insurance carrier for the ASSOCIATION shall determine annually the maximum insurance replacement value of the UNITS and COMMON ELEMENTS, it shall be the duty of the Board of Directors of ASSOCIATION to conduct a review of the insurance coverages maintained by ASSOCIATION to determine the adequacy thereof not less than once every three (3) years to increase the amount of any such insurance deemed inadequate Upon such review a report shall be presented to ASSOCIATION at the annual meeting next following the completion of such review, summarizing the findings of the Board of Directors of ASSOCIATION

All insurance coverage authorized to be purchased shall be purchased by the ASSOCIATION for itself and for the benefit of all of the Owners of all UNITS The cost of obtaining the insurance coverage authorized above is declared to be a common expense, as are all other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof

All policies of casualty insurance covering the CONDOMINIUM shall provide for the insurance proceeds covering any loss to be payable to the Insurance Trustee named as hereinafter provided, or to its successor, and the insurance proceeds from any casualty loss shall be held for the use and benefit of the ASSOCIATION and all of the Owners of all UNITS and their respective mortgagees as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided The ASSOCIATION is hereby declared to be "Insurance Trustee" acting by and through the Board of Directors of the ASSOCIATION and is appointed as authorized agent for all of the Owners of all UNITS for the purpose of negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property

The ASSOCIATION shall have the right to delegate the duties of the Insurance Trustee to some other party and all parties beneficially interested in such insurance coverage shall be bound by said delegation

The Insurance Trustee shall not be liable for the payment of premiums, for the renewal of any policy or policies of casualty insurance for the sufficiency of coverage for the form or content of the policies or for the failure to collect any insurance proceeds

The sole duty of the Insurance Trustee shall be to receive such proceeds of casualty insurance as are paid and to hold same in trust for the purposes herein stated and for the benefit of the ASSOCIATION and the Owners of all UNITS and their respective mortgagees such insurance proceeds to be disbursed and paid by the Insurance Trustee as hereinafter provided. The ASSOCIATION, as a common expense, may pay a reasonable fee to said Insurance Trustee for its services rendered hereunder and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder Said Insurance Trustee shall be liable only for its willful misconduct bad faith or gross negligence and then for only such money which comes into the possession of said Insurance Trustee Wherever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of UNITS and their mortgagees, as their respective interests may appear the Insurance Trustee may rely upon a Certificate of the President and Secretary of the ASSOCIATION executed under oath and which Certificate will be provided to said Insurance Trustee upon request of said Insurance Trustee made to the ASSOCIATION such Certificate to certify unto said Insurance Trustee the name or names of the Owners of each UNIT the name or names of the mortgagee or mortgagees who may hold a mortgage or mortgages encumbering each UNIT, and the respective percentages of any distribution which may be required to be made to the Owner or Owners of any UNIT or UNITS, and his or their respective mortgagee or mortgagees as their respective interests may appear Where any insurance proceeds are paid to the Insurance Trustee for any casualty loss the holder or holders of any mortgage or mortgages encumbering a UNIT shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of any mortgage or mortgages, unless such insurance proceeds represent a distribution to the Owner or Owners of any UNIT or UNITS and their respective mortgagees after such insurance proceeds have been first applied to repair replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the Owner or Owners of any UNIT or UNITS and their respective mortgagee or mortgagees, by reason of loss of or damage to personal property constituting a part of COMMON ELEMENTS and as to which a determination is made not to repair replace or restore such personal property So long as any lender shall have the right to approve the company or companies with whom said casualty insurance coverage is placed such lender shall also have the right to approve the amount of such insurance coverage to be maintained

In the event of the loss of or damage to COMMON ELEMENTS and/or UNITS real or personal, which loss or damage is covered by the casualty insurance the proceeds paid to the Insurance Trustee to cover such loss or damage shall be applied to the repair replacement or reconstruction of such loss or damage If the insurance proceeds are in excess of the cost of the repair replacement or reconstruction of such COMMON ELEMENTS then such excess insurance proceeds shall be paid by the Insurance Trustee into the reserve fund as described in Article XXVIII, Section E. If it appears that the insurance proceeds covering the casualty loss or damage payable to the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage or that the insurance proceeds when collected will not be so sufficient, then the ASSOCIATION shall deposit with the Insurance Trustee a sum which, together with the insurance proceeds received or to be received will enable said Insurance Trustee to completely pay for the repair, replacement

or reconstruction of any loss or damage as the case may be The monies to be deposited by the ASSOCIATION with the Insurance Trustee, in said latter event, may be paid by the ASSOCIATION out of its Reserve for Replacements Fund, and if the amount in such Reserve for Replacements Fund is not sufficient, then the ASSOCIATION shall levy and collect an assessment against all Owners and their UNITS in an amount which shall provide the funds required to pay for said repair replacement or reconstruction.

In the event of loss of or damage to property covered by such casualty insurance, the ASSOCIATION shall within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before such loss or damage such estimates to contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors of the ASSOCIATION may deem to be in the best interest of the membership of the ASSOCIATION Wherever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of the repair, replacement or reconstruction thereof, the additional monies required to completely pay for such repair, replacement or reconstruction of said loss or damage, shall be deposited with said Insurance Trustee not later than thirty (30) days from the date on which said Insurance Trustee shall receive the monies payable under the policy or policies of casualty insurance

In the event of the loss of or damage to personal property belonging to the ASSOCIATION the insurance proceeds when received by the Insurance Trustee, shall be paid to the ASSOCIATION In the event of the loss of or damage to personal property constituting a portion of the COMMON ELEMENTS and should the Board of Directors of the ASSOCIATION determine not to replace such personal property as may be lost or damaged, then the insurance proceeds received by the Insurance Trustee shall be paid to ASSOCIATION

XXVI

APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED AGAINST THE CONDOMINIUM AS A WHOLE

In the event that any taxing authority having jurisdiction over the CONDOMINIUM shall levy or assess any tax or special assessment against the CONDOMINIUM, as a whole, as opposed to levying and assessing such tax or special assessment against each UNIT and its appurtenant undivided interest in COMMON ELEMENTS as now provided by law then such tax or special assessment so levied shall be paid as a common expense by the ASSOCIATION and any taxes or special assessments which are to be so levied shall be included, wherever possible, in the estimated annual budget of the ASSOCIATION or shall be separately levied and collected as an assessment by the ASSOCIATION against all of the Owners of all UNITS and said UNITS if not included in said annual budget. The amount of any tax or special assessment paid or to be paid by the ASSOCIATION in the event that such tax or special assessment is levied against the CONDOMINIUM as a whole instead of against each separate UNIT and its appurtenant undivided

interest in COMMON ELEMENTS shall be apportioned among the Owners of all UNITS so that the amount of such tax or special assessment so paid or to be paid by the ASSOCIATION and attributable to and to be paid by the Owner or Owners of each UNIT shall be that portion of such total tax or special assessment which bears the same ratio to said total tax or special assessment as the undivided interest in COMMON ELEMENTS appurtenant to each UNIT bears to the total undivided interest in COMMON ELEMENTS appurtenant to all UNITS In the event that any tax or special assessment shall be levied against the CONDOMINIUM in its entirety, without apportionment by the taxing authority to the UNITS and appurtenant undivided interests in COMMON ELEMENTS then the assessment by the ASSOCIATION, which shall include the proportionate share of such tax or special assessment attributable to each UNIT and its appurtenant undivided interest in COMMON ELEMENTS shall separately specify and identify the amount of such assessment attributable to such tax or special assessments, and the amount of such tax or special assessment so designated shall be and constitute a lien prior to all mortgages and encumbrances upon any UNIT and its appurtenant undivided interest in COMMON ELEMENTS, regardless of the date of the attachment and/or recording of such mortgage or encumbrance, to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each UNIT and its appurtenant undivided interest in COMMON ELEMENTS

All personal property taxes levied or assessed against personal property owned by the ASSOCIATION shall be paid by the ASSOCIATION and shall be included as a common expense in the Annual Budget of the ASSOCIATION

XXVII

THE ASSOCIATION TO MAINTAIN REGISTRY OF OWNERS

The ASSOCIATION shall at all times maintain a register setting forth the names of the Owners of all of the UNITS and in the event of the sale or transfer of any UNIT to a third party, the purchaser or transferee shall notify the ASSOCIATION in writing of his interest in such UNIT together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any UNIT

XXVIII

ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

The ASSOCIATION is given the authority to administer the operation and management of the CONDOMINIUM it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all UNITS To properly administer the operation and management of the CONDOMINIUM, the ASSOCIATION will incur, for the mutual benefit of all of the Owners of UNITS, costs and expenses which will be continuing or nonrecurring costs as the case may be, which costs and expenses are sometimes herein referred to as "common expense." To provide the

funds necessary for such proper operation and management, the ASSOCIATION heretofore has been granted the right to make levy and collect assessments against the Owners of all UNITS and said UNITS In furtherance of said grant of authority to the ASSOCIATION to make levy and collect assessments to pay the costs and expenses for the operation and management of the CONDOMINIUM, the following provisions shall be operative and binding upon the Owners of all UNITS to-wit.

A All assessments levied against the Owners of UNITS and said UNITS including the ASSOCIATION should it own any UNIT, shall be uniform and, unless specifically otherwise provided for in this Master Deed, the assessments made by the ASSOCIATION shall be in such proportion that the amount of assessment levied against each Owner of a UNIT and his UNIT shall bear the same ratio to the total assessment made against all Owners of UNITS and their UNITS as does the undivided interest in COMMON ELEMENTS appurtenant to each UNIT bear to the total undivided interest in COMMON ELEMENTS appurtenant to all UNITS

B The assessment levied against the Owner of each UNIT and his UNIT shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Directors of the ASSOCIATION

C The Board of Directors of the ASSOCIATION shall establish an annual budget in advance for each fiscal year which shall correspond to the calendar year, and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the CONDOMINIUM, including a reasonable allowance for contingencies and reserves (as hereinafter provided), such budget to take into account projected anticipated income which is to be applied in reduction of the amount required to be collected as an assessment each year Upon adoption of such annual budget by the Board of Directors of the ASSOCIATION copies of said budget shall be delivered to each Owner of a UNIT and the assessment for said year shall be established based upon such budget, although the delivery (or non-delivery) of a copy of said budget to each Owner shall not affect the liability of any Owner for such assessment. Should the Board of Directors at any time determine, in the sole discretion of said Board of Directors, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the CONDOMINIUM, or in the event of emergencies, said Board of Directors shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary

D Upon the initial sale of each UNIT by the GRANTOR, each Owner purchasing such UNIT from the GRANTOR shall pay over to the ASSOCIATION the amount of $250 00 which shall not be a prepaid assessment, but shall constitute a separate initial capital contribution to provide initial operating funds

E The Board of Directors of the ASSOCIATION in establishing said annual budget for the operation, management and maintenance of the CONDOMINIUM shall include therein a sum to be collected and maintained as a reserve fund for replacement of COMMON ELEMENTS which reserve fund shall be for the purpose of enabling the ASSOCIATION to replace and/or conduct major repairs upon, structural elements and mechanical equipment constituting a part of the COMMON ELEMENTS as well as the replacement of personal property and amenities which may constitute a portion of the COMMON ELEMENTS held for the joint use and benefit of all of the Owners of all UNITS The amount to be allocated to such reserve fund for replacements shall be established by said Board of Directors so as to accrue and maintain at all times a sum necessary for replacement and/or major repair of said COMMON ELEMENTS based on the anticipated useful life of each portion of the COMMON ELEMENTS as provided in the Maintenance Schedule. Additions to such reserves must be established in an amount at least adequate to fund all repairs, replacements and maintenance in accordance with the Maintenance Schedule The amount collected and allocated to the reserve fund for replacements from time to time shall be maintained in a separate account by the ASSOCIATION No monies in such reserve fund for replacements shall be used to meet other needs or requirements of the ASSOCIATION in operating or managing the CONDOMINIUM or for normal regular maintenance of the COMMON ELEMENTS except upon the affirmative vote of at least 75% of the Board of Directors of the ASSOCIATION In the event that the Board of Directors should authorize the use of any portion of the funds constituting reserve funds other than the uses specifically provided for in this Section XXVIII(E) it must thereafter levy a special assessment for the replenishment of such reserve funds within 90 days after the use of such reserve funds The provisions of this Section shall not be amended without the express written consent of the GRANTOR.

F The Board of Directors of the ASSOCIATION, in establishing said annual budget for operation management and maintenance of the CONDOMINIUM, shall not establish reserve funds for unspecified purposes.

G In addition to any other reserves provided for in this Master Deed, the Board of Directors of the ASSOCIATION in establishing the annual budget of the ASSOCIATION shall include therein a reasonable sum to be collected and maintained to be used to meet any deductibles which may be provided for in policies of hazard insurance maintained by the ASSOCIATION Any excess funds in such reserve fund may be transferred to the capital contribution fund Any reserve so established shall not be used for any purpose other than meeting such insurance deductible(s) except as follows In the event of an accumulation of excess funds in the reserve fund established pursuant to this Section (in the determination of the Board of Directors of the Association) such excess funds may be transferred only to the reserve fund established pursuant to Section E of this Article

H. All monies collected by the ASSOCIATION shall be treated as the separate property of the ASSOCIATION and such monies may be applied by the ASSOCIATION to the payment of any expense of operating and managing the CONDOMINIUM or to the proper undertaking of all acts and duties imposed upon it by virtue of this Master Deed and the Articles of Incorporation and By-Laws of the ASSOCIATION and as the monies for any assessment are paid to the ASSOCIATION by any Owner of a UNIT the same may be commingled with the monies paid to the ASSOCIATION by the other Owners of UNITS Although all funds and other assets of the ASSOCIATION and any increments thereto or profits derived therefrom, or from the leasing or use of COMMON ELEMENTS shall be held for the benefit of the members of the ASSOCIATION, no member of the ASSOCIATION shall have the right to assign hypothecate pledge or in any manner transfer his membership interest therein except as an appurtenance to his UNIT

I The payment of any assessment or installment thereof due to the ASSOCIATION shall be in default if such assessment, or any installment thereof is not paid to the ASSOCIATION on or before the due date for such payment When in default, the Board of Directors may accelerate the remaining installments of the annual assessment upon notice thereof to the UNIT Owner whereupon the entire unpaid balance of the annual assessment shall become due upon the date stated in the notice which shall not be less than ten (10) days after the date of the notice In the event any assessment, installment or accelerated installment is not paid within twenty (20) days after its due date, the ASSOCIATION, through its Board of Directors, may proceed to enforce and collect the assessment against the UNIT Owner owing the same in any manner provided for by the Act, including the rights of foreclosure and sale When in default, the delinquent assessment or delinquent installment thereof due to the ASSOCIATION shall bear interest at the rate of 18% per annum until such delinquent assessment or installment thereof and all interest due thereon have been paid to the ASSOCIATION Further a late fee of $25 00 shall be assessed for each installment not paid within 30 days after the due date thereof

J The Owner or Owners of each UNIT shall be personally liable to the ASSOCIATION for the payment of all assessments, regular or special, which may be levied by the ASSOCIATION while such person or persons is or are Owner or Owners of a UNIT in the CONDOMINIUM. In the event that any Owner or Owners are in default in payment of any assessment or installment thereof owed to the ASSOCIATION, such Owner or Owners of any UNIT shall be personally liable for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

K. In addition to all of the foregoing, each Owner of a UNIT, at the time of the original conveyance of the UNIT from the Grantor shall pay to ASSOCIATION an advance

assessment for insurance maintained by the Association in an amount to be determined by ASSOCIATION'S Board of Directors in its reasonable discretion, and such determination shall be deemed final

L. No Owner of a UNIT may exempt himself from liability for any assessment levied against such Owner and his UNIT by waiver of the use or enjoyment of any of the COMMON ELEMENTS or by abandonment of the UNIT or in any other manner

M Recognizing that the necessity for providing proper operation and management of the CONDOMINIUM entails the continuing payment of costs and expenses therefor which results in benefit to all of the Owners of UNITS, and that the payment of such common expense represented by the assessments levied and collected by the ASSOCIATION is necessary in order to preserve and protect the investment of the Owner of each UNIT the ASSOCIATION is hereby granted a lien upon such UNIT and its appurtenant undivided interest in COMMON ELEMENTS which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the Owner of each UNIT which lien shall also secure interest and late fees, if any which may be due on the amount of any delinquent assessments owing to the ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney s fee which may be incurred by the ASSOCIATION in enforcing the lien upon said UNIT and its appurtenant undivided interest in the COMMON ELEMENTS The lien granted to the ASSOCIATION may be foreclosed in the same manner as mortgages may be foreclosed in the State of South Carolina, and in any suit for the foreclosure of said lien, the ASSOCIATION shall be entitled to rental from the Owner of any UNIT from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for said UNIT The rental required to be paid shall be equal to the rental charged on comparable types of UNITS along the Grand Strand of South Carolina. The lien granted to the ASSOCIATION shall further secure such advances for taxes, and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the ASSOCIATION in order to preserve and protect its lien, and the ASSOCIATION shall further be entitled to interest at the legal rate as set out hereinbefore on any such advances made for such purpose All persons firms or corporations who shall acquire by whatever means, any interest in the ownership of any UNIT or who may be given or acquire a mortgage lien or other encumbrance thereon, is hereby placed on notice of the lien granted to the ASSOCIATION and shall acquire such interest in any UNIT expressly subject to such lien.

N The lien herein granted to the ASSOCIATION shall be effective from and after the time of recording in the Public Records of Horry County South Carolina a claim of lien stating the description of the UNIT encumbered thereby the name of the record Owner the amount due and the date when due, and the lien shall continue in effect

until all sums secured by said lien, as herein provided, shall have been fully paid Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest late fees costs attorney s fees advances to pay taxes and prior encumbrances and interest thereon all as above provided Such claims of lien shall be signed and verified by an officer or agent of the ASSOCIATION Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The claim of lien filed by the ASSOCIATION shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording of the ASSOCIATION'S Claim of Lien.

In the event that any person firm or corporation shall acquire title to any UNIT and its appurtenant undivided interest in COMMON ELEMENTS by virtue of any foreclosure or judicial sale, such person, firm or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for said UNIT and its appurtenant undivided interest in COMMON ELEMENTS subsequent to the date of acquisition of such title and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title subject to the lien of any assessment by the ASSOCIATION representing an apportionment of taxes or special assessments levied by taxing authorities against the CONDOMINIUM in its entirety In the event of the acquisition of title to a UNIT by foreclosure or judicial sale any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all UNITS as a part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure

O Whenever any UNIT may be sold or mortgaged by the Owner thereof, which sale shall be concluded only upon compliance with other provisions of this Master Deed, the ASSOCIATION upon written request of the Owner of such UNIT, shall furnish to the proposed purchaser or mortgagee a statement verifying the status of payment of any assessment which shall be due and payable to the ASSOCIATION by the Owner of such UNIT Such statement shall be executed by any officer or agent of the ASSOCIATION and any purchaser or mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction, and the ASSOCIATION shall be bound by such statement. In the event that a UNIT is to be sold or mortgaged at the time when payment of any assessment against the Owner of said UNIT and such UNIT due to the ASSOCIATION shall be in default (whether or not a claim of lien has been recorded by the ASSOCIATION) then the proceeds of such purchase or mortgage proceeds, shall be applied by the purchaser or mortgagee first to payment of any then delinquent assessment or installment thereof due to the ASSOCIATION before the payment of any proceeds of purchase or

mortgage proceeds to the Owner of any UNIT who is responsible for payment of such delinquent assessment

In any voluntary conveyance of a UNIT the Grantee shall be jointly and severally liable with the GRANTOR for all unpaid assessments against GRANTOR made prior to the time of such voluntary conveyance, without prejudice to the rights of the Grantee to recover from the GRANTOR the amounts paid by the Grantee therefor

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the ASSOCIATION which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure, proceeding by foreclosure to attempt to effect such collection shall not be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sums then remaining owing to it

Notwithstanding anything in this Master Deed to the contrary, it is declared that until the expiration of one (1) month after the date of recordation of this Master Deed, each UNIT in Phase I shall be exempt from the assessment created herein until such time as the UNIT is conveyed by the GRANTOR to a Grantee and that the GRANTOR shall be assessed and pay to the ASSOCIATION in lieu of such assessment a sum equal to the amount of actual operating expenses for the period of such assessment less an amount equal to the total assessments made by the ASSOCIATION against Owners of UNITS other than those owned by GRANTOR for such period Commencing upon the expiration of one (1) month after the recordation of this Master Deed, the GRANTOR shall be subject to assessments as provided for in this Master Deed so that it will pay assessments on the same basis provided for under this Master Deed for other UNIT Owners GRANTOR reserves the right in future Phases for a period not to exceed one (1) month after recordation of the amendment adding each such Phase, to contribute in lieu of normal assessments the actual operation expenses attributable to the UNITS in each Phase less the amount of total assessments made by ASSOCIATION against Owners of UNITS other than those owned by GRANTOR. Notwithstanding the foregoing, GRANTOR may elect to pay assessments on unsold UNITS in the same manner as other Owners in lieu of paying the operating deficit as provided above

XXIX

TERMINATION

This Master Deed and said plan of CONDOMINIUM ownership may only be terminated by the unanimous consent of all of the Owners of all UNITS and all of the parties holding mortgages, liens or other encumbrances against any of said UNITS in which event the termination of the CONDOMINIUM shall be by such plan as may be then adopted by said Owners and persons holding

any mortgages liens or other encumbrances Such election to terminate this Master Deed and the plan of CONDOMINIUM ownership established herein shall be executed in writing by all of the aforenamed persons, and such instrument or instruments shall be recorded in the Public Records of Horry County South Carolina.

XXX

AMENDMENT OF MASTER DEED

Except for any alteration in the percentage of ownership in COMMON ELEMENTS appurtenant to each UNIT or alteration of the basis for apportionment of assessments which may be levied by the ASSOCIATION in accordance with the provisions hereof, in which said instances consent of all of the Owners of all UNITS and their respective mortgagees shall be required, and except for any alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of GRANTOR, and the Lender which said rights and privileges granted and reserved unto the said GRANTOR and the Lender shall only be altered, amended or modified with the respective express written consent of the said GRANTOR or Lender as the case may be this Master Deed may be amended in the following manner

An amendment or amendments to this Master Deed may be proposed by the Board of Directors of the ASSOCIATION acting upon a vote of the majority of the Directors, or by the members of the ASSOCIATION owning a majority of the UNITS in the CONDOMINIUM, whether meeting as members or by instrument in writing signed by them Upon any amendment or amendments to the Master Deed being proposed by said Board of Directors or members such proposed amendment or amendments shall be transmitted to the President or Secretary of the ASSOCIATION in the absence of the President, who shall thereupon call a Special Meeting of the members of the ASSOCIATION for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the Proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such Special Meeting stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his postal address as it appears on the records of the ASSOCIATION, the postage thereon prepaid. Any member may by written waiver of notice signed by such member waive such notice and such waiver when filed in the records of the ASSOCIATION whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of sixty-seven (67%) percent of the members owning a UNIT in the CONDOMINIUM in order for such amendment or amendments to become effective Thereupon such amendment or amendments of this Master Deed shall be transcribed and certified by the President and Secretary of the ASSOCIATION as having been duly adopted, and the original or an executed copy of such amendment or amendments so certified and executed with the same formalities as a deed shall be recorded in the Public Records of Horry County South Carolina,

within thirty (30) days from the date on which the same became effective such amendment or amendments to specifically refer to the recording data identifying the Master Deed Thereafter a copy of said amendment or amendments in the form in which the same were placed of record by the officers of the ASSOCIATION shall be delivered to all of the Owners of all UNITS and mailed to the mortgagees listed in the registry required to be maintained by Article XXVI hereof but delivery and mailing of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of the ASSOCIATION shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy provided such written vote is delivered to the Secretary of the ASSOCIATION at or prior to such meeting Furthermore no amendment to this Master Deed shall be adopted which would operate to affect the validity or priority of any mortgage held by a mortgagee or which would alter amend or modify in any manner whatsoever the rights powers and privileges granted and/or reserved herein in favor of any mortgagee or in favor of GRANTOR without the consent or all such mortgagees or GRANTOR as the case may be Notwithstanding anything contained herein the GRANTOR, its successors or assigns may without the consent of the UNIT Owners or MORTGAGEES at any time prior to twenty (20) years from the date of filing of this Master Deed amend this Master Deed in the manner set forth in Article III so as to subject any additional Phase(s) to the provisions of this Master Deed and the Horizontal Property Act of South Carolina so as to make such additional Phase(s) an integral part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime Any such amendment shall together with this Master Deed, contain all of the particulars required by the said Horizontal Property Regime Act of South Carolina and from and after the recording of any such amendment, the Riverwalk at Arrowhead Golf Club Horizontal Property Regime shall include the Phase then being submitted as well as all Phases previously submitted The UNITS in future Phases are to be of similar design as those UNITS in Phase I except as more particularly provided in Exhibit "C" hereto The designation of each UNIT number and its proportionate interest in the COMMON ELEMENTS is set forth in Exhibit C, which is attached hereto and made a part and parcel hereof It is not contemplated that submission of additional Phase(s) will substantially increase the proportionate amount of the common expenses payable by existing UNIT Owners

The GRANTOR further reserves the right to make changes or amendments in this Master Deed without the consent of any UNIT Owners or their mortgagees, to correct typographical, scrivener's or similar errors or to make a change required by an institutional lender provided that any such correction or amendment shall not adversely affect the proportionate interest of any Owner or Owners in the COMMON ELEMENTS Such change or amendment may be made by the recording of an appropriate document in the Office of the Register Mesne Conveyance for Horry County executed by the GRANTOR.

XXXI

REMEDIES IN EVENT OF DEFAULT

The Owner or Owners of each UNIT shall be governed by and shall comply with the provisions of this Master Deed, and the Articles of Incorporation and the By-Laws of the ASSOCIATION and its rules and regulations as any of the same are now constituted or as they may be adopted and/or amended from time to time A default by the Owner or Owners of any UNIT shall entitle the ASSOCIATION or the Owner or Owners of other UNIT or UNITS to the following relief

A Failure to comply with any of the terms of this Master Deed or other restrictions and regulations contained in the Articles of Incorporation, By-Laws of the ASSOCIATION or its rules and regulations, shall be grounds for relief which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief foreclosure of lien or any combination thereof and which relief may be sought by the ASSOCIATION or if appropriate by an aggrieved Owner of a UNIT

B The Owner or Owners of each UNIT shall be liable for the expense of any maintenance repair or replacement rendered necessary by his or their act, neglect or carelessness or by that of any member of his or their family or his or their guests, employees agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a UNIT or its appurtenances Nothing herein contained, however shall be construed so as to modify any waiver by insurance companies of rights of subrogation

C In any proceeding arising because of an alleged default by the Owner of any UNIT the ASSOCIATION, if successful shall be entitled to recover the costs of the proceedings and such reasonable attorney's fees as may be determined by the Court.

D The failure of the ASSOCIATION or of the Owner of a UNIT to enforce any right, provision covenant, or condition which may be granted by this Master Deed or other above mentioned documents shall not constitute a waiver of the right of the ASSOCIATION or of the Owner of a UNIT to enforce such right provision, covenant or condition in the future

E All rights remedies and privileges granted to the ASSOCIATION or the Owner or Owners of a UNIT pursuant to any terms, provisions, covenants or conditions of this Master Deed or other above mentioned documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies or to preclude the person thus exercising the same from exercising such

other and additional rights remedies or privileges as may be available to such person at law or in equity

F The failure of the GRANTOR, or the Lender to enforce any right, privilege, covenant or condition which may be granted to them or either of them by this Master Deed or other above mentioned document shall not constitute waiver of the right of either of said parties to thereafter enforce such right, provision, covenant or condition in the future

XXXII

USE OR ACQUISITION OF INTEREST IN THE CONDOMINIUM TO RENDER USER OR ACQUIRER SUBJECT TO PROVISIONS OF MASTER DEED, RULES AND REGULATIONS

All present or future Owners, tenants or other persons who use the facilities of the CONDOMINIUM in any manner are subject to the provisions of this Master Deed and all documents appurtenant hereto and incorporated herewith and the mere acquisition or rental of any UNIT or the mere act of occupancy of any UNIT shall signify that the provisions of this Master Deed are accepted and ratified in all respects

XXXIII

RIGHT OF GRANTOR TO SELL OR LEASE UNIT OWNED BY IT AND RIGHT OF GRANTOR TO REPRESENTATION ON BOARD OF DIRECTORS OF THE ASSOCIATION

So long as GRANTOR shall own any UNIT the said GRANTOR, shall have the absolute right to lease or sell any such UNIT to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interest. Further provided that GRANTOR has not terminated "Class II" membership in the ASSOCIATION in accordance with the Articles of Incorporation and ByLaws of the ASSOCIATION or so long as any phase or phases of the CONDOMINIUM project have not been submitted to the CONDOMINIUM or GRANTOR, its successors or assigns is the Owner of Eight (8) or more UNITS, then GRANTOR, it successors and assigns, shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the ASSOCIATION Whenever GRANTOR shall be entitled to designate and select any person or persons to serve on any Board of Directors of the ASSOCIATION the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By Laws of the ASSOCIATION and GRANTOR, shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by GRANTOR, need not be an Owner

of a UNIT The power of the GRANTOR to designate Directors as above referred to shall terminate no later than the 31st day of December, 2009

Any representative of GRANTOR serving on the Board of Directors of the ASSOCIATION shall not be required to disqualify himself upon any vote upon any management contract or other matter between GRANTOR and the ASSOCIATION where the GRANTOR may have a pecuniary or other interest. Simularly GRANTOR, as a member of the ASSOCIATION shall not be required to disqualify itself in any vote which may come before the membership of the ASSOCIATION upon any management contract or other matter between GRANTOR and the ASSOCIATION where GRANTOR may have a pecuniary or other interest.

XXXIV

ANNUAL REPORTS TO BE PROVIDED TO LENDER

So long as any Lender selected by GRANTOR is the Owner or holder of a mortgage encumbering a UNIT in the CONDOMINIUM, the ASSOCIATION shall furnish said Lender, upon such Lender's request, with at least one (1) copy of the Annual Financial Statement and Report of the ASSOCIATION audited and prepared by Certified Public Accountants satisfactory to Lender and setting forth such details as the said Lender may reasonably require, including a detailed statement of annual carrying charges or income collected, and operating expenses, such Financial Statement and Report to be furnished within ninety (90) days following the end of each fiscal year

XXXV

SEVERABILITY

In the event that any of the terms, provisions or covenants of this Master Deed are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter modify or impair in any manner whatsoever any of the other terms provisions or covenants hereof or the remaining portions of any terms provisions or covenants held to be partially invalid or unenforceable.

XXXVI

LIBERAL CONSTRUCTION AND ADOPTION
OF PROVISIONS OF CONDOMINIUM ACT

The provisions of this Master Deed shall be liberally construed to effectuate its purpose of creating a uniform plan of CONDOMINIUM ownership The South Carolina Horizontal Property Act, 1976 Code of Laws, as the same may be amended from time to time thereafter, is hereby adopted and expressly made a part hereof In the event of any conflict between the provisions of this Master Deed and the said South Carolina Horizontal Property Act of South Carolina, as the same may be

amended the provisions of the Act shall take the place of any provisions in conflict with the Master Deed

XXXVII

MASTER DEED
BINDING UPON GRANTOR, ITS SUCCESSORS AND ASSIGNS
AND SUBSEQUENT OWNERS

The restrictions and burdens imposed by the covenants of this Master Deed are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each UNIT and its appurtenant undivided interest in COMMON ELEMENTS and this Master Deed shall be binding upon GRANTOR, its successors and assigns, and upon all parties who may subsequently become Owners of UNITS in the CONDOMINIUM and their respective heirs, legal representatives, successors and assigns

XXXVIII.

DEFINITIONS

A The term "UNIT" or "UNITS" shall be synonymous with the term "Apartment" or "Apartments" as those terms are used under the Horizontal Property Act of the 1976 Code of Laws of South Carolina, as amended. UNIT herein may also be described as Villas" or "Dwellings" and shall include both Residential UNITS and Garage UNITS as defined in Article IV of this Master Deed.

B "Building" means a structure containing in the aggregate two or more UNITS comprising a part of the CONDOMINIUM.

C "Co owner" or "Owner" means a person firm, corporation, partnership, association, trust, or other legal entity or any combination thereof, who owns a UNIT within a Building

D Assessment" means a UNIT Owner's pro rata share of the common expenses which from time to time is assessed against a UNIT Owner by the ASSOCIATION

E "Association means council of co-owners as defined by the Horizontal Property Act and also means the Riverwalk at Arrowhead Country Club Property Owners' Association Inc the corporate form by which the council of co-owners shall operate the Riverwalk at Arrowhead Golf Club Horizontal Property Regime

F "Common Expense" means the expenses for which the UNIT Owners are liable to the ASSOCIATION and include

1 Expenses of administration management, maintenance insurance, operation, repair or replacement of the COMMON ELEMENTS and of the portions of UNITS which are the responsibility of the ASSOCIATION

2 Expenses declared common expenses by provisions of this Master Deed,

3 Any valid charges against the CONDOMINIUM as a whole

G "Common Surplus" means the excess of or receipts of the ASSOCIATION, including, but not limited to assessments over the amount of common expenses

H "Condominium" refers to the Riverwalk at Arrowhead Golf Club Horizontal Property Regime and means the form of individual ownership of a particular UNIT in a Building together with the common right to a share with other co-owners in the general COMMON ELEMENTS

I Common Elements" means and includes the elements described in the Horizontal Property Regime Act, and in this Master Deed (including Exhibits) as "COMMON ELEMENTS" and also the following

1 Easements through apartments for conduits ducts plumbing chimneys wiring and other facilities for the furnishing of utility services to UNITS and the general COMMON ELEMENTS, provided, however, such easements through a UNIT shall be only according to the plans and specifications for the Building or as the Building is constructed unless otherwise approved in writing by the UNIT Owner

2 An easement of support in every portion of an UNIT which contributes to the support of a Building

3 Easements through the UNITS and general COMMON ELEMENTS for maintenance, repair and replacement of the UNITS and general COMMON ELEMENTS

4 Installations for the furnishing of utility services to more than one UNIT or to the general COMMON ELEMENTS or to a UNIT other than the one containing the installation, which installation shall include ducts plumbing, wiring and other facilities for the rendering of such services

5 The tangible personal property required for the maintenance and operation of the CONDOMINIUM, even though owned by the ASSOCIATION

J Limited Common Elements" shall have the meaning attributed thereto in Article IV of this Master Deed.

XXXIX

ARBITRATION

IN THE EVENT THAT A DISPUTE OR CLAIM SHALL ARISE WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS MASTER DEED, OR A DISPUTE BETWEEN GRANTOR AND ANY ONE OR MORE UNIT OWNERS ALL DISPUTES OR CLAIMS SHALL BE RESOLVED IN ACCORDANCE WITH THE SOUTH CAROLINA UNIFORM ARBITRATION ACT UNDER S C CODE ANN §15-48-10 (A) ALL RESULTING AWARDS AND DETERMINATIONS MADE BY THE ARBITRATORS PURSUANT TO THE PROVISIONS OF THIS SECTION SHALL BE CONCLUSIVELY BINDING UPON ALL PARTIES HERETO AND JUDGEMENT MAY BE RENDERED THEREON

IN WITNESS WHEREOF Heritage Riverwalk, Inc , a South Carolina Corporation, has caused these presents to be executed this 28th day of October, 1997

SIGNED SEALED AND DELIVERED
N THE PRESENCE OF

Heritage Riverwalk, Inc.
A South Carolina Corporation

By
Jack L Green, Jr President

Attest
Roger H Van Wie Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned notary who after first being duly sworn deposes and states that s/he saw the within named Heritage Riverwalk, Inc by and through its duly authorized officer(s) Sign, Seal and Deliver the within Master Deed and that s/he with the other witness witnessed the execution thereof

SWORN to before me this 28th
day of October, 1997

(L.S)
Notary Public for South Carolina
My Commission Expires 2-25-200

EXHIBIT "A"
TO MASTER DEED FOR THE RIVERWALK AT ARROWHEAD GOLF CLUB
PROPERTY REGIME

ALL AND SINGULAR, That certain piece, parcel or tract of land, together with improvements located thereon situate lying and being in Horry County South Carolina, and being more particularly shown as "Phase 1 containing 0 77 acres, more or less, on a map or plat prepared by Robert L Bellamy and Associates, Inc dated October 18, 1997 prepared for Heritage Riverwalk, Inc. which plat is recorded in Plat Book 151 at Page 68, records of Horry County, South Carolina, reference to which is craved as forming a part of these presents.

TOGETHER WITH a non-exclusive easement for ingress and egress, as well as for installation of utilities and drainage over and across that portion of "Riverwalk Drive" and "Lantern s Rest Road , as shown on a map prepared for Heritage Riverwalk Inc dated May 29 1997 and recorded in Deed Book 148 at Page 186 reference to which is craved as forming a part of these presents in accordance with that certain Easement Agreement from Pine Island Land Investors, a South Carolina General Partnership to Heritage Riverwalk, Inc dated June 25 1997 and recorded June 26, 1997 in Deed Book 1953 at Page 593 records of Horry County South Carolina.

The GRANTOR herein reserves unto itself its successors and assigns, a non-exclusive easement for ingress and egress, as well as for installation of utilities and drainage over and across the property described above.

A

EXHIBIT B"
TO
MASTER DEED

NOTE Exhibit B" is a survey prepared by Robert L Bellamy and Associates Inc Consulting Engineers Planners and Surveyors dated October 18 1997 (the "Survey"), which shows the location of the Buildings and other improvements of Phase I and a set of floor plans for Building 1 ("Phase I) dated August 20 1997, as revised, prepared by Pegram Associates, Inc (the aforesaid floor plans are referred to herein as the "Plans") The Plans and Survey show graphically the dimensions area and location of each UNIT therein (which UNITS are all Residential UNITS) and the dimensions, area and location of COMMON ELEMENTS and LIMITED COMMON ELEMENTS affording access to each UNIT Both the Survey and the Plans are recorded in Condominium Plat Book C at Page 570, records of Horry County, South Carolina and are incorporated herein by this reference Said Exhibit further includes the following

There is one building also identified as Building 1, containing twelve (12) Residential UNITS in Phase I Each UNIT is identified by a separate three (3) digit UNIT number on the Plans. The Unit number as shown on the Plans is preceded by the numeral one (1) and a dash which designates the Building number for the purposes of this Master Deed. Each UNIT as shown on the Plans uses a typical floor plan. Units 1-101, 1 102, 1-103 and 1-104 are all located on the first floor of the Building, as shown on the Plans Units 1-201, 1-202 1-203 1-204 are all located on the second floor of the Building, as shown on the Plans Units 1-301 1-302, 1-303 and 1-304 are all located on the third floor of the Building, as shown on the Plans The Building is three levels in height and contains four (4) UNITS on each level Each UNIT is individually numbered using the Unit number identifier shown on Exhibit "C" to this Master Deed and shown on the Plans with the addition with the first digit one (1) and a dash

As shown on the Plans, each UNIT has an entrance door opening on to a balcony or walkway which balcony or walkway is a COMMON ELEMENT Access to the second and third levels of the Building is by way of two (2) sets of stairways, with one located on each end of the Building The stairways are COMMON ELEMENTS

Parking is provided in the parking area shown on the Survey within the property being submitted herewith as Phase I pursuant to the terms of this Master Deed The parking areas are also COMMON ELEMENTS

Each one (1) bedroom UNIT contains a great room a kitchen, a bedroom two (2) bathrooms a closet and a mechanical room, as shown on the Plans Each two (2) bedroom UNIT contains a living area, a dining area, two bedrooms a kitchen and two bathrooms and closets a shown on the Plans.

An exterior storage room is also a part of each two (2) bedroom UNIT, which storage room is accessed from the patio or deck immediately adjacent to the UNIT of which it is a part. In addition, the patios and decks, as shown on the Plans, are LIMITED COMMON ELEMENTS for the use and benefit of the UNIT from which such patio or deck is accessible and adjacent to

As to each UNIT All built-in kitchen appliances the refrigerator, heating and air-conditioning units and condensers hot water heaters and bathroom fixtures located in each UNIT are a part of the UNIT in which they are located and are not COMMON ELEMENTS The air handling units which serve each UNIT are a part of the UNIT which it serves and are not COMMON ELEMENTS, notwithstanding that it is located outside of the UNIT

References to areas as COMMON ELEMENTS or common areas in this Exhibit shall be in addition to and read in conjunction with the further designation of COMMON ELEMENTS in other portions of this Master Deed and the Survey and Plans making up the balance of this Exhibit "B"

This Exhibit B shall be amended if any additional phase(s) shall become part of Riverwalk at Arrowhead Golf Club Horizontal Property Regime in accordance with the terms of this Master Deed.

C

PEGRAM ASSOCIATES
INC.
ARCHITECTS PLANNERS

RE Building 1, Riverwalk
Horizontal Property Regime
679 Riverwalk Drive
Myrtle Beach, South Carolina

J. Thomas Pegram AIA
Dennis H. Springs AIA
David S. Glymph AIA
Kenneth N. Heit AIA

The attached plans by Pegram Associates, Inc of Myrtle Beach, S C, consist of 3 sheets numbered and dated or revised as follows

A1 [8/18/97] (9 2 BR s/3 1-BR'S, #'s 101, 102, 103, 104
201, 202, 203 204
301, 302, 303, 304)

A5 [8/18/97]
A6 [8/18/97]

The visible components of the completed building, comprising Building 1 of this project, appear to conform to the attached plans The floor plans show graphically the dimensions, area, and location of the proposed units, and the dimensions, area and location of the proposed common elements affording access to each unit. Other proposed common elements both limited and general are shown graphically insofar as possible In addition, the suggested number of each unit has been shown on the plans The undersigned is the "Architect of Record" on the subject building, but did not provide construction observation of the subject building, and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above

PEGRAM ASSOCIATES, INC

by _____

date 10/29/97

11318 48th Avenue N.
PO Drawer 7448
Dunes Station
Myrtle Beach, SC 29577
(803) 449-5202
Fax # (803) 497 2633

RIVERWALK AT ARROWHEAD GOLF CLUB HORIZONTAL PROPERTY REGIME

EXHIBIT C"
TO
MASTER DEED

Schedule of percentage (%) of undivided interest in the COMMON ELEMENTS appurtenant to UNITS in the Riverwalk at Arrowhead Golf Club, a condominium, including Phase I only Statutory Value is for statutory purposes only and has no relationship to the actual value of each UNIT

UNIT Number Phase I	Statutory Value	Percentage Interest (Phase I Only)
1-101	80 000 00	8 80088
1-102	63 000 00	6 93069
1-103	80 000 00	8 80088
1 104	80 000 00	8 80088
1 201	80 000 00	8 80088
1-202	63 000 00	6 93069
1-203	80 000 00	8 80088
1-204	80 000 00	8 80088
1-301	80 000 00	8 80088
1-302	63,000 00	6 93069
1-303	80 000 00	8 80088
1-304	80,000 00	8 80088
Total Statutory Value for Phase I	909 000 00	100 000% (rounded to nearest one thousandth)

D

In addition, up to Ninety Nine (99) more buildings may be added as Phases II through C or any of them As each Phase is added, the total statutory value of all Phases submitted and constituting the Riverwalk at Arrowhead Golf Club Horizontal Property Regime at that time and the percentage interest of each UNIT therein may be determined using the formula hereinafter set forth. To determine the percentage interest of each UNIT, utilize a formula with the statutory value of each UNIT set forth in the chart below as the numerator with the total statutory value of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime at that time (including the Phase being submitted and any Phases previously submitted) as the denominator The resulting fraction shall then be expressed as a percentage rounded to the nearest 00001 The statutory value of each building to be contained within Phases II through C or any of them, if constructed and submitted, shall be in accordance with the chart contained herein. The building number as referred to herein has no relationship to the Phase in which it will be contained, but is merely for identification.

In the event the GRANTOR elects, in accordance with the provisions of the Master Deed to which this Exhibit is attached to proceed with the development of Phase II through Phase C or so many of said phases as it might elect, within the time provided in the Master Deed, the percentage of undivided interest appurtenant to each UNIT in Phase I and any Phase(s) previously submitted, as of the date of recording the amendment incorporating each additional Phase, will automatically be the percentage to be set forth in a chart which GRANTOR must record as part of its election to construct and submit Phase II through C, or so many of them as GRANTOR might elect. Such percentage interest shall be determined by the ratio of the statutory value of the individual UNIT as the same bears to the total statutory values of all UNITS within the Condominium Provided, however the assigned values to be reflected in the chart for UNITS in additional phases must be the values provided in the following schedule depending on the type of unit involved as follows

Type	Statutory Value
1 Bedroom Unit	$ 63,000 00
2 Bedroom Unit	$ 80 000 00
3 Bedroom Unit	$100 000 00
Garage Unit	$ 8 000 00

The GRANTOR may construct in Phase II and any subsequent phases through Phase C any combination of Garage UNITS or 1, 2, or 3 Bedroom Residential UNITS provided that GRANTOR at the time of recording its election specifies in the chart amending this Exhibit "C" the percentage of interest of each UNIT in Phase I and so many additional phases as might have at that time been incorporated hereunder, using the values of the different UNITS assigned above Each Phase shall consist of one Residential Building and related improvements, with no less than nine (9) Residential UNITS and no more than fifteen (15) Residential UNITS in each Building and may also include from zero (0) to eight (8) Garage UNITS in a separate building.

Each additional Phase shall have a minimum total statutory value based on the sum of all statutory values of all UNITS within that phase of FIVE HUNDRED SIXTY SEVEN THOUSAND AND NO/100 ($567,000 00) DOLLARS and a maximum total statutory value of all UNITS, within that phase of ONE MILLION FIVE HUNDRED SIXTY FOUR THOUSAND AND NO/100 ($1,564 000 00) DOLLARS Therefore, the minimum and maximum percentage interest of each UNIT within Phase I at any time during the development and submission of additional phase(s) to the Riverwalk at Arrowhead Golf Club Horizontal Property Regime may be determined by use of the formula hereinafter provided

The actual percentage interest of each UNIT may be computed in accordance with the following formula with the result obtained from such formula being then expressed as a percentage

Statutory Value of the UNIT		Percentage Interest of the UNIT
÷	=	(Expressed as a Percentage)
Total Statutory Value of all UNITS submitted to the Horizontal Property Regime		

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EXHIBIT "D"

ARTICLES OF INCORPORATION

OF

RIVERWALK AT ARROWHEAD COUNTRY CLUB PROPERTY OWNERS ASSOCIATION, INC.

The undersigned subscribers, desiring to form a nonprofit corporation under South Carolina statutes, as amended, hereby adopt the following Articles of Incorporation

ARTICLE I

NAME

The name of the corporation shall be Riverwalk at Arrowhead Country Club Property Owners' Association, Inc which is hereinafter referred to as the "Association"

ARTICLE II

PURPOSES AND POWERS

The purpose of the Association is to manage the affairs of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime a Horizontal Property Regime established pursuant to the terms of the Master Deed therefor, filed or to be filed in the Office of the RMC for Horry County, South Carolina (the "Master Deed").

The Association is not organized for profit and no part of the net earnings, if any shall inure to the benefit of any member or individual person firm or corporation.

The Association shall have all of the common law and statutory powers of a nonprofit corporation. The Association shall also have all of the powers necessary to implement the purposes of the Association and to provide for the general health and welfare of its membership

ARTICLE III

MEMBERS

Section 1 Membership Every person or entity who is a record Owner of a fee or undivided fee interest in any UNIT which is subject by the Master Deed to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member

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Section 2 Voting Rights The Association shall have two (2) classes of voting membership

Class I Class I members shall be all those Owners as defined in Article XIV in the Master Deed Class I members shall be entitled to one vote for each UNIT in which they hold the interest required for membership When more than one person holds such interest or interests in a UNIT, all such persons shall be members however they shall select one (1) member to vote, which such member shall be designated as the "Voting Member" and shall be so designated in writing to the Secretary of the Association. In no event shall more than one (1) vote be cast with respect to any UNIT

Class II The sole Class II member shall be the GRANTOR. The Class II member shall be entitled to four (4) votes for each UNIT in which it holds the interest required for membership by Article XIV in the Master Deed provided that the Class II membership shall continue only so long as any phase of the Condominium Project has not been submitted to the Horizontal Property Regime, or GRANTOR, its successors or assigns is the Owner of Eight (8) or more UNITS in the entire CONDOMINIUM GRANTOR reserves the right at any time to terminate Class II membership by filing an instrument in the records of the Clerk of Court of Horry County so doing and in any event the Class II membership shall terminate no later than December 31 2009

Section 3 Meetings of Members The By Laws of the Association shall provide for an annual meeting of the members, and may make provisions for regular and special meetings of the members other than the annual meeting A quorum for the transaction of business at any meeting of the members shall exist if fifty-one (51%) percent of the members shall be present. Action may be taken by majority vote of those members present at any meeting. So long as a quorum is present at the opening of the meeting business may be transacted until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum in attendance Further at any adjourned meeting at which a quorum is present at the reconvening of such meeting, any business may be transacted which might have been transacted at the original meeting and notwithstanding the withdrawal of enough members to leave less than a quorum in attendance

Section 4 Principal Office The initial principal office of the Corporation shall be located at 1201 48th Avenue North Myrtle Beach, South Carolina 29577 however the Corporation may maintain offices and transact business in such other places within or without the State of South Carolina as may from time to time be designated by the Board of Directors

ARTICLE IV

CORPORATE EXISTENCE

The Association shall have perpetual existence

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ARTICLE V

BOARD OF DIRECTORS

Section 1 Management by Directors The property, business and affairs of the Association shall be managed by a Board of Directors, which shall consist initially of three (3) persons The Board shall be increased thereafter to five (5) persons as provided in Article III of the By-Laws A majority of the directors in office shall constitute a quorum for the transaction of business The By-Laws shall provide for meetings of directors including an annual meeting

Section 2 Original Board of Directors The names and addresses of the first Board of Directors of the Association, who shall hold office until the first annual meeting of members until qualified successors are duly elected and have taken office, shall be as follows

1	Roger H Van Wie	1201 - 48th Avenue North Myrtle Beach, SC 29577
2	Lynn M Andersen	1201 - 48th Avenue North Myrtle Beach, SC 29577
3	Miles E. Watson	1201-48th Avenue North Myrtle Beach, SC 29577

Section 3 Election of Members of Board of Directors. Except for the first Board of Directors directors shall be elected by the Members as provided by the By Laws of the Association. The By-Laws may provide for the method of voting in the election and for removal from office of directors After GRANTOR gives up control of the Association, all directors shall be Owners of UNITS in the Riverwalk at Arrowhead Golf Club Horizontal Property Regime or shall be authorized representatives officers or employees of corporate members of the Association.

Section 4 Duration of Office. Members elected to the Board of Directors shall hold office for such periods of time as are set out in the By Laws

Section 5 Vacancies If a director elected by the general membership shall for any reason cease to be a director the remaining directors so elected may elect a successor to fill the vacancy for the balance of the unexpired term

ARTICLE VI

OFFICERS

Section 1 Officers Required The Association shall have a President a Vice President, a Secretary and a Treasurer and such other officers as the Board of Directors may from time to time elect.

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Section 2. Election and Appointment of Officers The officers of the Association, in accordance with any applicable provision of the By-Laws, shall be elected by the Board of Directors for terms of one year and until qualified successors are duly elected and have taken office The By-Laws may provide for the method of voting in the election for the removal from office of officers, for filling vacancies, and for the duties of the officers. The President, Vice President, Secretary and Treasurer shall be directors, other officers may or may not be directors of the Association. If the office of President shall become vacant for any reason, or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers If any office other than that of the President shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy

Section 3 First Officers The names and addresses of the first officers of the Association, who shall hold office until the first annual meeting of directors and until successors are duly elected and have taken office, shall be as follows:

Office	Name	Address
President	Roger H Van Wie	1201-48th Avenue North Myrtle Beach SC 29577
Vice President	Lynn M Andersen	1201-48th Avenue North Myrtle Beach, SC 29577
Secretary/ Treasurer	Miles E Watson	1201-48th Avenue North Myrtle Beach SC 29577

ARTICLE VII

BY LAWS

The Board of Directors shall adopt By Laws consistent with these Articles of Incorporation Such By-Laws may be altered, amended or repealed in the manner set forth in the By Laws

ARTICLE VIII

AMENDMENTS

Section 1 Amendments to these Articles of Incorporation shall be proposed and approved by the Board of Directors by majority vote

Section 2. In case of any conflict between these Articles of Incorporation and the By-Laws, these Articles shall control and in case of any conflict between these Articles of Incorporation and

J

the said Master Deed for the Riverwalk at Arrowhead Golf Club Horizontal Property Regime, the said Master Deed shall control

ARTICLE IX

SUBSCRIBERS

The names and addresses of the subscribers to these Articles of Incorporation are

Roger H Van Wie 1201 - 48th Avenue North
Myrtle Beach, SC 29577

ARTICLE X

INDEMNIFICATION

The Association shall indemnify any person who is made a party or is threatened to be made a party to any claim, suit, proceeding or liability by reason of the fact that he is or was a director, officer, employee, agent or representative of the Association to the fullest extent permitted by law, and the Association may advance expenses to any such person to the fullest extent permitted by law The Association shall also have the power to purchase and maintain insurance on behalf of any person who is or was a director officer employee agent or representative of the Association against any liability asserted against him in any such capacity

IN WITNESS WHEREOF, the said subscribers have hereunto set their hands this 28th day of October, 1997

Roger H Van Wie

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EXHIBIT "E"
BY-LAWS

OF

RIVERWALK AT ARROWHEAD COUNTRY CLUB PROPERTY OWNERS ASSOCIATION INC

Article I

Name, Principal Office and Definitions

Section 1 Name The name of the Association shall be Riverwalk at Arrowhead Country Club Property Owners Association, Inc (hereinafter sometimes referred to as the "Association").

Section 2 Principal Office The principal office of the Association in the State of South Carolina shall be located in Myrtle Beach, County of Horry The Association may have such other offices, either within or without the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require

Section 3 Definitions The words used in these By-Laws shall have the same meaning as set forth in the Master Deed for the Riverwalk at Arrowhead Country Club Horizontal Property Regime, as amended, renewed or extended from time to time, as hereinafter sometimes referred to as the Master Deed", unless the context shall prohibit

Article II

Association Membership, Meetings, Quorum, Voting, Proxies

Section 1 Membership The Association shall have two (2) classes of membership Class I" and Class II" as more fully set forth in the Articles of Incorporation, the terms of which pertaining to membership are specifically incorporated herein by reference

Section 2 Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Voting Members as may be designated by the Board of Directors either within the properties or as convenient thereto as possible and practical

Section 3 Annual Meetings The first meeting of the membership, whether a regular or special meeting, shall be held within ninety (90) days after the expiration of one (1) year from the date of incorporation of the Association. Subsequent regular annual meetings of the membership shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board Subject to the foregoing the annual meeting shall be held at a date and time as set by the Board of Directors

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Section 4 Special Meetings The President may call special meetings In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least thirty (30%) percent of the total votes of the Association The notice of any special meeting shall state the date time and place of such meeting and the purpose thereof No business shall be transacted at a special meeting except as stated in the notice

Section 5 Notice of Meetings Written or printed notice stating the place, day and hour of any meeting of the Members shall be delivered either personally or by mail to each Voting Member entitled to vote at such meeting not less than ten (10) nor more than fifty (50) days before the date of such meeting by or at the direction of the President or the Secretary and shall include an agenda of the meeting.

In the case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice

If mailed the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association with postage thereon prepaid

Section 6 Waiver of Notice Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice Any Voting Member may in writing waive notice of any meeting of the Voting Members, either before or after such meeting Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting of which proper notice was not given is raised before the business is put to a vote

Section 7 Adjournment of Meetings If any meetings of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not more than thirty (30) days from the time the original meeting was called. At the reconvened meeting if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted

Section 8 Voting The voting rights of the Members shall be as set forth in the Articles of Incorporation, and such voting rights provisions are specifically incorporated herein.

Section 9 Proxies Voting Members may vote in person or by Proxy

Section 10 Majority As used in these By-Laws the term "majority" shall mean those votes, Owners or other group as the context may indicate totaling more than fifty (50%) percent of the total number

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Section 11 Quorum Except as otherwise provided in these By-Laws or in the Master Deed or Articles of Incorporation, the presence in person or by alternate of the Voting Members representing more than fifty (50%) percent of the total vote of the Association shall constitute a quorum at all meetings of the Association Any provision in the Master Deed concerning quorums is specifically incorporated herein. So long as a quorum is present at the opening of the meeting, business may be transacted until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum in attendance Further at any adjourned meeting at which a quorum is present at the reconvening of such meeting any business may be transacted which might have been transacted at the original meeting notwithstanding the withdrawal of enough members to leave less than a quorum in attendance

Section 12. Conduct of Meetings The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting as well as a record of all transactions occurring thereat.

Section 13 Action Without a Meeting. Any action required by law to be taken at a meeting of the Voting Members, or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Voting Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Voting Members.

Article III
Board of Directors, Number, Powers, Meetings

A Composition and Selection.

Section 1 Governing Body, Composition. The affairs of the Association shall be governed by a Board of Directors each of whom shall have one (1) vote Except as provided in Section 2 of this Article, the Directors shall be Members In the case of an Owner which is a corporation or partnership the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a Director

Section 2 Directors During Class "I" Control The Directors who shall serve on the Board of Directors of the Association shall be selected by the Class "I" Member acting in its sole discretion and shall serve at the pleasure of the Class "II" Member until the first annual meeting of the membership following termination of Class II control at which time the Board of Directors shall be increased to five (5) Members.

Within one hundred twenty (120) days thereafter the Class "II member shall call a meeting, as provided in Article II Section 4 of these By-Laws for special meetings to advise the membership of the termination of the Class "I" member's control or in the alternative, shall notify each member by U S Mail that the Class II membership has terminated.

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The Directors selected by the Class II member pursuant to this Section need not be Members as provided in Section 1 of this Article

Section 3 Veto This Section 3 may not be amended without the express, written consent of the Class "II" member, so long as the Class II" membership exists

So long as the Class "II" membership exists the Class II" member shall have a veto power over all actions of the Board and any committee, as is more fully provided in this Section. This veto power shall be exercisable only by the Class "II" member, its successors, and assigns who specifically take this power in a recorded instrument. The veto power shall be as follows

No action authorized by the Board of Directors or any committee shall become effective, nor shall any action, policy, or program be implemented until and unless

(a) The Class ' II" member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee by certified mail, return receipt requested or by personal delivery at the address it has registered with the Secretary of the Association as it may change from time to time, which notice complies as to the Board of Directors meetings with Article III Sections 10 and 11, of these By-Laws as to regular and special meetings of the Directors and which notice shall except in the case of the regular meetings held pursuant to the By Laws set forth in reasonable particularity the agenda to be followed at said meeting and

(b) The Class "II member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of the meeting relative to any prospective action, policy, or program to be implemented by the Board, any committee, or the Association The Class 'II" member and its representatives or agents shall make its concerns thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class II" member shall have and is hereby granted a veto power over any such action, policy or program authorized by any committee or the Board of Directors and to be taken by any committee or Board of the Association or any individual member of the Association if Board, committee or Association approval is necessary for said action. This veto may be exercised by the Class II" member its representatives or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association.

Section 4 Number of Directors. The number of Directors in the Association shall not be less than three (3) nor more than five (5) as provided below The initial Board shall consist of three (3) members as identified in the Articles of Incorporation.

Section 5 Nomination of Directors Except with respect to Directors selected by the Class II" Member nominations for election to the Board of Directors shall be made by a Nominating Committee The Nominating Committee shall consist of a Chairman who shall be a member of the Board of Directors, and three (3) or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual

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meeting of the Voting Members to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each such annual meeting Nominations shall be permitted from the floor All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

Section 6 Election and Term of Office. Notwithstanding any other provision contained herein

At the first annual meeting of the membership after the termination of the Class "II" control and at each annual meeting of the membership thereafter, Directors shall be elected by the Voting Members for terms as outlined below

At the first annual meeting after the termination of Class II control five (5) Directors shall be elected. Two of the Directors elected pursuant to this Section, shall be elected to serve for a term of three (3) years. Two (2) of the remaining Directors shall be elected to serve for a term of two (2) years with the final Director elected to serve for a one (1) year term Members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association Directors may be elected shall not serve any consecutive terms Each member elected thereafter shall be elected for a two (2) year term

Section 7 Removal of Directors and Vacancies Any Director of the Association may be removed, with or without cause by a vote of the Voting Members with a majority vote of the membership Any Director whose removal is sought will be given notice prior to any meeting called for that purpose. Upon removal of a Director a successor shall then and there be elected to fill the vacancy by the Voting Members responsible for such removal

Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board In the event of the death, disability or resignation of a Director a vacancy may be declared by the Board and it may appoint a successor Any Director appointed by the Board shall serve for the remainder of the term such successor was appointed to fill

Section 8 Voting Procedure for Directors At any election of Directors to the Board of Directors each Voting Member may cast, in respect to each vacancy as many votes as he or she is entitled to exercise under the Articles of Incorporation. The candidates receiving the largest number of votes shall be elected

B Meetings

Section 9 Organizational Meetings The first meeting of the Board of Directors following each annual meeting of the membership shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Board

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Section 10 Regular Meetings Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors but at least one (1) such meeting shall be held during each fiscal year Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting, provided, however notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting

Section 11 Special Meetings Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by a majority of Directors The notice shall specify the time and place of the meeting and the nature of any special business to be considered The notice shall be given to each Director by one of the following methods (a) by personal delivery (b) by first class mail, postage prepaid (c) by telephone communication either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director, or (d) by telegram, charges prepaid All such notices shall be given by use of the Director's telephone number or shall be sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting. Notices given by personal delivery telephone or telegraph shall be delivered, telephoned, or given to the telegraph company at least three (3) days before the time set for the meeting.

Section 12 Waiver of Notice The transactions of any meeting of the Board of Directors, however called and noticed or wherever held shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes The waiver of notice or consent need not specify the purpose of the meeting Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice

Section 13 Quorum of Board of Directors At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting until such time and place as they may determine At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice

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Section 15 Conduct of Meetings The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 16 Open Meetings Subject to the provisions of Section 17 of this Article, all meetings of the Board shall be open to all Voting Members, but Voting Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director In such case the President may limit the time any Voting Member may speak

Section 17 Action Without a Formal Meeting. Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all of the Directors and such consent shall have the same force and effect as a unanimous vote

C Powers and Duties

Section 18 Powers The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association s affairs and, as provided by law, may do all acts and things as are not by the Master Deed Articles, or these By Laws directed to be done and exercised exclusively by the Voting Members or the membership generally

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager if any, which might arise between meetings of the Board of Directors.

In addition to the duties imposed by these By Laws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and shall be responsible for the following in way of explanation, but not limitation

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment provided, unless otherwise determined by the Board of Directors the annual assessment for each UNIT'S proportionate share of the Common Expenses shall be payable in equal monthly installments or as determined by the Board of Directors

(c) providing for the operation, care, upkeep and maintenance of all of the Common Areas

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(d) designating hiring, and dismissing the personnel necessary for the maintenance, operation, repair and replacement of the Association its property and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties,

(e) collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve and using the proceeds to administer the Association, provided, any reserve fund may be deposited in the Directors' best business judgment, in depositories other than banks,

(f) making and amending rules and regulations,

(g) opening of bank accounts on behalf of the Association and designating the signatories required,

(h) making or contracting for the making of repairs additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Master Deed and these By Laws after damage or destruction by fire or other casualty

(i) enforcing by legal means the provisions of the Master Deed, these By-Laws, and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association,

(j) obtaining and carrying insurance against casualties and liabilities as provided in the Master Deed, and paying the premium cost thereof

(k) paying the cost of all services rendered to the Association or its Members and not chargeable to Owners

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the Owners. All books and records shall be kept in accordance with generally accepted accounting principles,

(m) making available to any prospective purchaser of a UNIT, any Owner of a UNIT any first Mortgagee, and the holders, insurers, and guarantors of a first Mortgage on any UNIT current copies of the Master Deed the Articles of Incorporation, the By Laws, rules governing the UNIT, and all other books records, and financial statements of the Association, and

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the properties

Section 19 Management Agent.

(a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By Laws other than the powers set forth in subparagraphs (a) (b) (f) (g), and (i) of Section 18 of this Article The GRANTOR, or an affiliate of the GRANTOR, may be employed as managing agent or manager

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee or penalty on ninety (90) days' or less written notice

Section 20 Accounts and Reports The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed,

(b) accounting and controls shall conform to generally accepted accounting principles,

(c) cash accounts of the Association shall not be commingled with any other accounts

(d) no remuneration shall be accepted by the managing agent from vendors independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees service fees prizes, gifts, or otherwise unless it benefits the Association

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors,

(f) commencing at the end of the month in which the first UNIT is sold and closed, financial reports shall be prepared for the Association at least quarterly containing

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis

(ii) a variance report reflecting the status of all Association ledger accounts in an actual versus approved budget format

(iii) a balance sheet as of the last day of the preceding period and

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(b) accounting and controls shall conform to generally accepted accounting principles,

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(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis

(ii) a variance report reflecting the status of all Association ledger accounts in an "actual versus "approved" budget format

(iii) a balance sheet as of the last day of the preceding period and

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(iv) a delinquency report listing all Owners who are delinquent in paying the assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (A monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month unless otherwise determined by the Board of Directors), and

(g) an annual report as of the end of the fiscal year consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year (1) a balance sheet, (2) an operating (income) statement; and (3) a statement of changes in financial position for the fiscal year The annual report referred to above shall be prepared on an audited basis, by an independent certified public accountant for each fiscal year

Section 21 Borrowing The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas or for the purpose of funding budgetary shortfalls without the approval of the membership, provided however, the Board shall obtain Voting Member approval by majority vote for special assessments in the event that the proposed borrowing is for the purpose of modifying, improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year

Section 22 Rights of the Association With respect to the Common Areas, and in accordance with the Articles of Incorporation and By Laws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions. Without limiting the foregoing this right shall entitle the Association to enter into common management, operational or other agreements with trusts condominiums cooperatives, or neighborhood and other Owners or residents associations, both within and without the properties Such agreements shall require the consent of two thirds (2/3) of all Directors of the Association.

The Association shall not be bound, either directly or indirectly by any contract, lease, or other agreement (including any management contract) executed during the period of Class "II" control unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time with or without cause upon not more than ninety (90) days notice to the other party

Notwithstanding anything to the contrary contained herein the Association, through its Board of Directors shall have the right to enter into a declaration of easement and covenant to share costs or similar arrangement whereby the Association assumes maintenance responsibility for property which it does not own, or grants easements to entities which are not Members in consideration for payment by the Owner of such property or such nonmembers of all or a portion of the costs associated with such maintenance or use

Section 23 Enforcement The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Master Deed, these By-

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Laws or any rules and regulations adopted hereunder provided, however nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a UNIT In the event that any occupant of a UNIT violates the Master Deed, By Laws, or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant, provided however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association The failure of the Board to enforce any provision of the Master Deed, By Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter

(a) Notice Prior to imposition of any sanction hereunder, except the suspension of voting rights for nonpayment of assessments, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less then ten (10) days within which the alleged violator may present a written request to the Covenants Committee, if any, or Board of Directors for a hearing and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice If a timely challenge is not made, the sanction stated in the notice shall be imposed

(b) Hearing If a hearing is requested in a timely manner, the hearing before the Covenants Committee shall be held in executive session affording the Owner a reasonable opportunity to be heard Prior to the effectiveness of any sanction hereunder proof of proper notice shall be placed in the minutes of the meeting Such proof shall be deemed adequate if a copy of the notice together with a statement of the date and manner of delivery, is entered by the officer director, or agent who delivered such notice The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction if any, imposed.

(c) Appeal Following a hearing before the Covenants Committee the violator shall have the right to appeal the decision to the Board of Directors To perfect this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within thirty (30) days after the hearing date

(d) Additional Enforcement Rights Notwithstanding anything to the contrary herein contained, the Association, acting through the Board of Directors may elect to enforce any provision of the Master Deed, these By Laws, or the rules and regulations of the Association by self-help (specifically including, but not limited to the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above In any such action, to the maximum extent permissible, the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs including reasonable attorney s fees actually incurred.

Article IV
Officers

Section 1 Officers The officers of the Association shall be a President Vice President, Secretary and Treasurer, to be elected from among the members of the Board The Board of Directors may appoint such other officers including one or more Assistant Secretaries and one or more Assistant Treasurers as it shall deem desirable such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person except the offices of President and Secretary

Section 2 Election, Term of Office, and Vacancies. The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the membership as herein set forth in Article III A vacancy in any office arising because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3 Removal Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby

Section 4 Powers and Duties The officers of the Association shall each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have the responsibility for the preparation of the budget as provided for in the Master Deed.

Section 5 Resignation Any officer may resign at any time by giving written notice to the Board of Directors the President, or the Secretary Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective

Section 6 Agreements, Contracts, Deeds, Leases, Checks, Etc All agreements, contracts, deeds leases checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors Provided however, agreements, contracts and checks may be executed by the Management Agent

Article V
Committees

Section 1 General Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors

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Section 2 Covenants Committee In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article the Board of Directors may appoint a Covenants Committee consisting of at least three (3) and no more than five (5) members. Acting in accordance with the provisions of the Master Deed these By Laws, and resolutions the Board may adopt, the Covenants Committee if established, shall be the hearing tribunal of the Association and conduct all hearings held pursuant to Article III, Section 23 of these By Laws

Article VI
Miscellaneous

Section 1 Fiscal Year The fiscal year of the Association shall be a normal calendar year

Section 2 Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Master Deed, or these By-Laws

Section 3 Conflicts If there are conflicts or inconsistencies between the provisions of South Carolina law, the Articles of Incorporation, the Master Deed and these By-Laws, the provisions of South Carolina law the Master Deed the Articles of Incorporation, and the By Laws (in that order) shall prevail

Section 4 Books and Records.

(a) Inspection by Members and Mortgagees The Master Deed and By-Laws, membership register, books of account, and minutes of meetings of the Members, the Board, and committees shall be made available for inspection and copying by any Mortgagee Member of the Association or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe

(b) Rules for Inspection The Board shall establish reasonable rules with respect to

(i) notice to be given to the custodian of the records,

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

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

(c) Inspection by Directors Every Director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association

Section 5 Notices Unless otherwise provided in these By-Laws all notices, demands bills statements or other communications under these By Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail first class postage prepaid

(a) if to a Member or Voting Member at the address which the Member or Voting Member has designated in writing and filed with the Secretary or if no such address has been designated, at the address of the UNIT of such Member or Voting Member or

(b) if to the Association, the Board of Directors or the managing agent, at the principal office of the Association or the managing agent, if any or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6 Amendment. Prior to the conveyance of the first UNIT, GRANTOR may unilaterally amend these By Laws Thereafter and otherwise, but subject to the provisions hereinafter provided, these By Laws may be amended only by the affirmative vote (in person or by alternate) or written consent of Voting Members representing sixty seven (67%) percent of the total votes of the Association including sixty seven (67%) percent of the votes of Members other than the GRANTOR. However the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Further, no amendment of any provision reserving a right specifically in favor of the GRANTOR may be amended without the GRANTOR S express consent. No amendment shall be effective until recorded in the public records of Horry County, South Carolina.

IN WITNESS WHEREOF, Riverwalk at Arrowhead Country Club Property Owners' Association, Inc a South Carolina Corporation has caused these presents to be executed this 28th day of October 1997

RIVERWALK AT ARROWHEAD
COUNTRY CLUB PROPERTY
OWNERS' ASSOCIATION INC

By _____
Roger H. Van Wie, President

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TIFIED TO BE A TRUE AND CORRECT COPY
3 TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE.

OCT 2 0 1997

SECRETARY OF STATE OF SOUTH CAROLINA

SECRETARY OF STATE

NONPROFIT CORPORATION

ARTICLES OF INCORPORATION

Jim Miles
SECRETARY OF STATE
FILED
OCT 2 0 1997
AM PM
7 8 9 10 11 12 1 2 3 4 5 6

Instructions (1) Must be typewritten or printed
(2) Must file this original and one copy
(3) Must include $25 fee payable to the Secretary of State
(4) Should your articles be refused, you will receive written notification within five days

1 The name of this corporation is (33-31-401)

Rivervalk at Arrowhead Country Club Property Owners' Association, Inc.

2 The initial registered office of the corporation is

1201 48th Avenue North — Street Address
Myrtle Beach — City
Horry — County

South Carolina 29577
State, Zip Code
[The complete address is required by SC Code 33-31-202(a)3]

3 The name of the registered agent at the above office is

Roger H VanWie

4 Check either (a), (b), or (c) Check only one box

[ ] The nonprofit corporation is a public benefit corporation.

[ ] The nonprofit corporation is a religious corporation

[X] The nonprofit corporation is a mutual benefit corporation

5. Check (a) or (b), whichever is applicable:

[X] This corporation will have members who will vote for the board of directors See Section 33-31-202(a)5

[ ] This corporation will not have members

6 The address of the principal office of the nonprofit corporation is

1201 48th Avenue North
Street Address

Myrtle Beach	Horry	South Carolina	29577
City,	County,	State,	Zip Code

[The complete address is required by SC Code 33-31-202(a)7]

7 If the corporation is either public benefit or religious, complete either (a) or (b) below Do not check both [This information is required by 33-31-202(a)6]

[ ] Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)3 of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose Any such asset not so disposed of shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes

[ ] Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to

_____

_____

_____

8 If the corporation is a mutual benefit corporation, complete either (a) or (b) to describe how the assets of the corporation will be distributed upon dissolution of the corporation

[X] Upon dissolution of the mutual benefit corporation, the assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

[ ] Upon dissolution of the mutual benefit corporation the assets, consistent with law, shall be distributed to

_____

9. Please include any optional provisions which the nonprofit elects to include in these articles of incorporation. See Section 33-31-202(b) through 33-31-202(e)

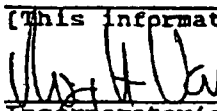
N/A

10 The name and address of each incorporator is as follows:

Roger H VanWie, 1201 48th Avenue North Myrtle Beach, SC 29577

[This information is required by SC Code 33-31-202(a)4]

11



Incorporator's Signature [33-31-202(d)]

Roger H VanWie
Incorporator's Name (typed)

Incorporator's Signature

Incorporator's Name (typed)

12.

Signature of any director named in these articles

Director's Name (typed)

Signature of any director named in these articles

Director's Name (typed)

October 14, 1997
Date and Time

Exhibit "F"
The Maintenance Schedule

Description of Repair or Replacement of COMMON ELEMENTS	Required Frequency of Action (In Years)
Asphalt Pavement - Sealing	3
Asphalt Pavement - Repair/Replacement	5
Curbing Repair	3
Painting Facia, Trim & Handrails	3
Caulking/Sealants - Door & Windows	1 ½
Exterior Carpet Replacement	5
Tree Replacement/Seasonal Color	1
Pressure Wash of Buildings	1
Replacement of Roof Shingles	20
Replacement of Pool Equipment	5
Pool Enclosure	15
Pool Finish	5
Replacement of Pool Furnishings	5
Exercise Equipment	1
Lazy River Pool and Pumps	5
Garage Maintenance	1

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SIXTEENTH AMENDMENT TO MASTER DEED FOR
RIVERWALK AT ARROWHEAD GOLF CLUB
HORIZONTAL PROPERTY REGIME,
SAID MASTER DEED BEING DATED OCTOBER 28, 1997 AND
RECORDED OCTOBER 30, 1997, IN DEED BOOK 1987 AT PAGE 114
RECORDS OF HORRY COUNTY

FILED
HORRY CO. S.C.
99 DEC -3 AM 10 56

Pursuant to the terms and conditions of the aforesaid Master Deed and related documents Heritage Riverwalk, Inc., a South Carolina Corporation, herein and hereby amends the said Master Deed and related documents as set out herein for the purpose of submitting Phase XVIII to Riverwalk at Arrowhead Golf Club Horizontal Property Regime.

Therefore, Heritage Riverwalk, Inc a South Carolina Corporation, hereinafter referred to as the GRANTOR, as the sole owner of the improvements hereinafter described, does hereby make, declare and publish its intention and desire to submit, and does hereby submit the land and improvements hereinbelow described (Phase XVIII) including all easements, rights and appurtenances thereto belonging, to a Horizontal Property Regime (sometimes termed "condominium" ownership known as Riverwalk at Arrowhead Golf Club a Horizontal Property Regime) in the manner provided for by Sections 27-31-10 through 27-31-30 (both inclusive) of Chapter 31 entitled Horizontal Property Act of the 1976 Code of Laws of South Carolina" as amended, and as provided for in the Master Deed creating Riverwalk at Arrowhead Golf Club Horizontal Property Regime, dated October 28, 1997 and recorded October 30, 1997 in Deed Book 1987 at Page 114 records of Horry County South Carolina.

Article I and Exhibit A of the Master Deed are hereby amended to add thereto the following which is hereby submitted to the Horizontal Property Regime·

> ALL AND SINGULAR, all that certain piece, parcel or tract of land located in Horry County South Carolina, containing 2 09 acres and being more particularly shown and designated as "PHASE 18" on that certain map or plat entitled "CLOSING PLAT OF PHASE 18 RIVERWALK AT ARROWHEAD COUNTRY CLUB PHASE 2, NEAR BURCALE ROAD, HORRY COUNTY, SOUTH CAROLINA" prepared for Heritage Riverwalk, Inc by Robert L Bellamy & Associates, Inc Consulting Engineers & Surveyors, dated October 19 1999 and issued on November 5 1999 and revised on November 17, 1999 and recorded on November 30 1999, in Plat Book 166 at Page 167, records of Horry County South Carolina.

Article II of the Master Deed is hereby amended to add thereto the following

> Further annexed hereto and expressly made a part hereof, as Exhibit B-16, is a Survey showing the location of the building and other improvements comprising Phase XVIII and a set of floor plans of such building which shows graphically the dimensions area and location of COMMON ELEMENTS and LIMITED COMMON

2212-1035

ELEMENTS affording access to each UNIT therein. Each UNIT is identified by a specific number on said Exhibit B-16 and no UNIT bears the same designation as any other UNIT In addition, a set of Plans for four (4) Garage UNITS as identified in said Master Deed are also made a part of Exhibit B-16 Exhibit B 16 is also recorded as a separate condominium plat in the public records of aforesaid Horry County South Carolina, maintained by the Horry County Register of Deeds in Condominium Plat Book C at Page 240

Article XII of the Master Deed is amended to add the following

Further annexed hereto and made a part hereof as Exhibit C-16 is a table of statutory values and percentage interests which reflects the addition of Phase XVIII as a part of Riverwalk at Arrowhead Golf Club Horizontal Property Regime.

GENERALLY The said Master Deed is further amended in all particulars, generalities and references so as to reflect and include the submission of and intent to submit the said Phase XVIII to the Horizontal Property Regime and to reserve all rights to submit any additional phase(s) to the Horizontal Property Regime, in accordance with the provisions of said Master Deed.

IN WITNESS WHEREOF, Heritage Riverwalk, Inc., a South Carolina Corporation has caused these presents to be executed this 24th day of NOVEMBER 1999

SIGNED SEALED AND DELIVERED IN THE PRESENCE OF

Heritage Riverwalk, Inc, a South Carolina Corporation

BY _____
Gwyn Hardister Vice President

ATTEST _____
Lynn M Andersen, Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw the within named Heritage Riverwalk, Inc , a South Carolina Corporation, by and through its duly authorized officers(s), Sign, Seal and as its Act and Deed deliver the within written SIXTEENTH AMENDMENT TO MASTER DEED, and that s/he with the undersigned notary witnessed the execution thereof.

Stephanie A McAndrew

SWORN to before me this 24th
day of NOVEMBER, 1999

Notary Public for South Carolina
My Commission Expires. 5/11/2009

RIVERWALK AT ARROWHEAD GOLF CLUB
HORIZONTAL PROPERTY REGIME

PHASE XVIII

EXHIBIT "B-16"
TO
MASTER DEED

NOTE Exhibit "B 16" is a survey prepared by Robert L. Bellamy and Associates, Inc dated October 19 1999 and issued on November 5, 1999 and revised on November 17 1999 (such survey is referred to herein as the "Survey"), which shows the location of the Building and other improvements and a set of floor plans and elevations for Phase XVIII, dated June 3, 1999, and revised June 9, 1999, May 27, 1999 and August 11 1999 prepared by Tuscan Architectural Group (the plans are hereinafter referred to as the "Plans"), which show graphically the dimensions, area and location of each UNIT therein, and the dimensions, area and location of COMMON ELEMENTS and LIMITED COMMON ELEMENTS affording access to each UNIT The Plans and Survey are recorded in Condominium Plat Book C at Page 840, records of Horry County South Carolina and are incorporated herein by this reference. Said Exhibit further includes the following

There is one building, also identified as Building II-5, containing twelve (12) Residential UNITS in Phase XVIII Each UNIT is identified by a separate three (3) digit UNIT number on the Plans. The UNIT number as shown on the Plans is preceded by Roman Numeral II and the number five (II5) and a dash which designates the Building number for the purposes of this Master Deed. Each UNIT as shown on the Plans uses a typical floor plan. UNITS II5-101 II5-102 II5 103 and II5-104 are all located on the first floor of the Building, as shown on the Plans. UNITS II5-201 II5-202, II5-203 II5-204 are all located on the second floor of the Building, as shown on the Plans. UNITS II5-301 II5-302, II5-303 and II5-304 are all located on the third floor of the Building, as shown on the Plans. The Building is three levels in height and contains four (4) UNITS on each level Each UNIT is individually numbered using the UNIT number identifier shown on Exhibit "C" to this Master Deed and shown on the Plans with the addition of II5 and a dash.

All of the UNITS in Phase XVIII are Residential UNITS or Garage UNITS as defined in the Master Deed.

As shown on the Plans, each UNIT has an entrance door opening on to a balcony or walkway which balcony or walkway is a COMMON ELEMENT Access to the second and third levels of the Building is by way of two (2) sets of stairways with one located on each end of the Building. The stairways are COMMON ELEMENTS

Parking is provided in the parking area shown on the Survey within the property being submitted herewith as Phase XVIII, as well as the property previously submitted, pursuant to the terms of this Master Deed. The parking areas are also COMMON ELEMENTS

Each one (1) bedroom UNIT contains a great room, a kitchen, a bedroom, two (2) bathrooms, a closet and a mechanical room, as shown on the Plans. Each two (2) bedroom UNIT contains a living area, a dining area, two (2) bedrooms, a kitchen, two (2) bathrooms and closets as shown on the Plans

An exterior storage room is also a part of each two (2) bedroom UNIT which storage room is accessed from the patio or deck immediately adjacent to the UNIT of which it is a part. In addition, the patios and decks, as shown on the Plans, are LIMITED COMMON ELEMENTS for the use and benefit of the UNIT from which such patio or deck is accessible and adjacent to

As to each UNIT All built-in kitchen appliances, the refrigerator heating and air-conditioning units and condensers, hot water heaters and bathroom fixtures located in each UNIT are a part of the UNIT in which they are located and are not COMMON ELEMENTS The air handling units which serve each UNIT are a part of the UNIT which it serves and are not COMMON ELEMENTS, notwithstanding that it is located outside of the UNIT

Reference to areas as COMMON ELEMENTS or areas in this Exhibit shall be in addition to and read in conjunction with the further designations of Common Elements and areas as set out in the Master Deed and the Survey and Plans making up the balance of this Exhibit "B-16"

In addition, also contained within Phase XVIII are four (4) Garage UNITS in a detached Garage Building as shown on Plans entitled "Riverwalk at Arrowhead Garage Building No One dated October 1, 1998 ("Garage Plans") As shown on the Garage Plans, the Garage UNITS are identified as Garage UNIT II One-F, Garage UNIT II One-G, Garage UNIT II One H and Garage UNIT II One-L Access to the Garage UNITS is by Garage doors also shown on the Garage Plans. The Garage door is not a common element.

This Exhibit "B" shall be amended if any additional phase(s) shall become part of Riverwalk at Arrowhead Golf Club Horizontal Property Regime in accordance with the terms of this Master Deed.

RIVERWALK AT ARROWHEAD GOLF CLUB
HORIZONTAL PROPERTY REGIME

EXHIBIT "C 16"
TO
MASTER DEED

Schedule of percentage (%) of undivided interest in the COMMON ELEMENTS appurtenant to UNITS in Riverwalk at Arrowhead Golf Club a condominium, including Phases I, II III, IV, V, VI, VII, VIII, IX, X, XI, XII XIII, XIV, XV, XVI and XVIII. (Phase XVII intentionally skipped at this time) Statutory Value is for statutory purposes only and has no relationship to the actual value of each UNIT

UNIT Number Phase I	Statutory Value	Percentage Interest (Phases I, II, III, IV,V,VI,VII,VIII, IX,X, XI, XII, XIII, XIV, XV, XVI & XVIII)
1 101	80,000 00	5178
1-102	63,000 00	4070
1-103	80,000 00	5178
1-104	80,000 00	.5178
1-201	80 000 00	.5178
1-202	63,000 00	4070
1-203	80,000 00	5178
1-204	80,000 00	5178
1-301	80,000 00	5178
1-302	63,000 00	4070
1-303	80,000 00	5178
1-304	80 000 00	5178
UNIT Number Phase II		
2-101	80,000 00	5178
2-102	63 000 00	4070

2 103	80 000 00	5178
2-104	80,000 00	5178
2-201	80,000 00	5178
2 202	63,000 00	4070
2-203	80 000 00	5178
2-204	80,000 00	5178
2-301	80,000 00	.5178
2-302	63,000 00	4070
2-303	80,000 00	.5178
2-304	80,000 00	.5178
UNIT Number Phase III		
3-101	80 000 00	5178
3-102	63,000 00	4070
3-103	80,000 00	5178
3-104	80,000 00	.5178
3-201	80,000 00	5178
3-202	63,000 00	4070
3-203	80,000 00	.5178
3-204	80,000 00	.5178
3-301	80 000 00	.5178
3-302	63,000 00	4070
3-303	80,000 00	5178
3-304	80,000 00	.5178
UNIT Number Phase IV		

4-101	80 000 00	5178
4-102	63 000 00	4070
4-103	80 000 00	5178
4-104	80 000 00	5178
4-201	80 000 00	5178
4-202	63 000 00	4070
4-203	80 000 00	.5178
4-204	80 000 00	5178
4-301	80 000 00	.5178
4-302	63 000 00	4070
4-303	80 000 00	.5178
4-304	80,000 00	5178
UNIT Number Phase V		
5-101	80 000 00	5178
5-102	63,000 00	4070
5-103	80 000 00	5178
5-104	80,000 00	5178
5-201	80,000 00	5178
5-202	63,000 00	4070
5-203	80,000 00	5178
5-204	80,000 00	5178
5-301	80 000 00	.5178
5-302	63 000 00	4070
5-303	80,000 00	5178
5 304	80,000 00	5178

UNIT Number Phase VI		
6-101	80,000 00	5178
6-102	63,000 00	4070
6-103	80 000 00	.5178
6-104	80 000 00	5178
6-201	80,000 00	5178
6-202	63 000 00	4070
6-203	80,000 00	5178
6-204	80 000 00	5178
6-301	80,000 00	5178
6-302	63,000 00	4070
6-303	80 000 00	5178
6-304	80,000 00	5178
UNIT Number Phase VII		
7-101	80,000 00	.5178
7 102	63,000 00	4070
7-103	80,000 00	5178
7-104	80 000 00	.5178
7-201	80 000 00	.5178
7 202	63,000 00	4070
7 203	80,000 00	.5178
7-204	80 000 00	.5178
7-301	80 000 00	.5178
7-302	63 000 00	4070

7 303	80 000 00	5178
7 304	80 000 00	5178
UNIT Number Phase VIII		
8-101	80,000 00	5178
8-102	63,000 00	4070
8-103	80 000 00	5178
8 104	80 000 00	5178
8-201	80 000 00	5178
8-202	63,000 00	4070
8-203	80 000 00	5178
8-204	80,000 00	5178
8-301	80 000 00	.5178
8-302	63,000 00	4070
8-303	80,000 00	5178
8-304	80,000 00	5178
UNIT Number Phase IX		
9-101	80 000 00	5178
9-102	63 000 00	4070
9-103	80,000 00	5178
9-104	80 000 00	5178
9-201	80,000 00	.5178
9-202	63,000 00	4070
9-203	80,000 00	5178
9-204	80 000 00	5178

9-301	80 000 00	5178
9-302	63 000 00	4070
9 303	80 000 00	5178
9-304	80 000 00	5178
UNIT Number Phase X		
10-101	80 000 00	5178
10-102	63 000 00	4070
10-103	80 000 00	5178
10-104	80 000 00	5178
10-201	80,000 00	5178
10-202	63,000 00	4070
10-203	80,000 00	5178
10-204	80,000 00	5178
10-301	80,000 00	5178
10-302	63,000 00	4070
10-303	80,000 00	5178
10-304	80 000 00	5178
UNIT Number Phase XI		
11-101	80 000 00	5178
11-102	63,000 00	4070
11-103	80,000 00	5178
11-104	80,000 00	5178
11-201	80,000 00	5178
11-202	63,000.00	4070

11-203	80 000 00	5178
11 204	80 000 00	5178
11 301	80 000 00	5178
11 302	63 000 00	4070
11 303	80 000 00	5178
11-304	80,000 00	.5178
UNIT Number Phase XII		
12-101	80 000 00	5178
12-102	63 000 00	4070
12-103	80 000 00	5178
12-104	80,000 00	5178
12 201	80 000 00	.5178
12-202	63,000 00	4070
12-203	80 000 00	5178
12-204	80 000 00	5178
12-301	80 000 00	5178
12-302	63 000 00	4070
12-303	80,000 00	.5178
12-304	80,000 00	5178
UNIT Number Phase XIII		
13 101	80,000 00	5178
13-102	63,000 00	4070
13-103	80 000 00	.5178
13-104	80 000 00	5178

13-201	80 000 00	5178
13-202	63,000 00	4070
13 203	80 000 00	5178
13 204	80,000 00	5178
13-301	80,000 00	5178
13-302	63,000 00	4070
13-303	80,000 00	5178
13-304	80,000 00	5178
UNIT Number Phase XIV		
14-101	80,000 00	5178
14-102	63,000 00	4070
14-103	80 000 00	5178
14-104	80 000 00	5178
14-201	80 000 00	5178
14-202	63,000 00	4070
14-203	80 000 00	5178
14-204	80,000 00	5178
14-301	80 000 00	5178
14-302	63,000 00	4070
14-303	80,000 00	5178
14-304	80 000 00	5178
UNIT Number Phase XV		
15 101	80,000 00	5178
15-102	63 000 00	4070

15-103	80 000 00	5178
15-104	80 000 00	5178
15 201	80 000 00	5178
15-202	63,000 00	4070
15-203	80 000 00	5178
15-204	80 000 00	5178
15-301	80 000 00	5178
15 302	63 000 00	4070
15-303	80 000 00	.5178
15-304	80 000 00	.5178
UNIT Number Phase XVI		
16-101	80,000 00	5178
16-102	63,000 00	4070
16-103	80,000 00	5178
16-104	80,000 00	.5178
16-201	80 000 00	5178
16-202	63,000 00	4070
16-203	80 000 00	5178
16-204	80,000 00	5178
16-301	80,000 00	5178
16-302	63 000 00	4070
16-303	80,000 00	5178
16-304	80,000 00	.5178
UNIT Number Phase XVIII		

II5-101	80,000 00	5178
II5-102	63 000 00	4070
II5 103	80,000 00	5178
II5-104	80 000 00	5178
II5-201	80,000 00	5178
II5-202	63,000 00	4070
II5 203	80,000 00	5178
II5-204	80 000 00	5178
II5 301	80 000 00	5178
II5-302	63 000 00	4070
II5-303	80 000 00	5178
II5-304	80 000 00	5178
GARAGE UNIT II ONE-F	$8 000 00	0050
GARAGE UNIT II ONE -G	$8,000 00	0050
GARAGE UNIT II ONE-H	$8,000 00	0050
GARAGE UNIT II ONE-I	$8 000 00	0050
Total Statutory Value for Phases I, II, III, IV,V,VI,VII,VIII,IX,X,XI, XII, XIII, XIV, XV, XVI & XVIII	**$15,485,000 00**	**100 000% (rounded to nearest one thousandth)**

Tuscan Architectural Group
A SUBSIDIARY OF HERITAGE COMMUNITIES

4729 Jean Drive
Myrtle Beach, SC 29577

Phone 843 449 6200
Fax 843 497 0432

November 23 1999

Re **Building II-5 Riverwalk at Arrowhead**
1512 Lantern s Rest Road
Myrtle Beach SC 29575

The attached plans by Tuscan Architectural Group Inc of Myrtle Beach, S C consist of 5 sheets numbered and dated or revised as follows

A101 - First Floor Plan	(06/03/99)
A102 - Second Floor Plan	(06/03/99)
A103 - Third Floor Plan	(06/03/99)
A201 - Front & Left Side Exterior Elevations	(06/03/99)
A202 - Rear & Right Side Exterior Elevations	(06/03/99)

The attached plans consist of 12 units numbered as follows

(9 2 Bedrooms 3 1-Bedrooms) Units 101 102, 103 104
201 202, 203 204
301 302, 303 304

The visible components of the completed building comprising **Building II-5** of this project, appear to conform to the attached plans. The floor plans show graphically the dimensions, area, and location of the proposed units, and the access to each unit. Other proposed common elements, both limited and general are shown graphically insofar as possible In addition, the suggested number of each unit has been shown on the plans The undersigned is the "Architect of Record" on the subject building did not provide construction observation of the subject building, and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above

By Matthew B. Ward Architect
Matthew B Ward

SC License # 04926

Dated: 11-23-99

ROA_1596

APP_1607

Tuscan Architectural Group
A SUBSIDIARY OF HERITAGE COMMUNITIES
4729 Kenn Drive
Myrtle Beach SC 29577
Phone 843 449 6200
Fax 843 497 0482

November 30 1999

Re. Garage Building One
Riverwalk at Arrowhead, Phase II
Myrtle Beach SC 29575

The attached plans by Tuscan Architectural Group Inc. of Myrtle Beach S C consist of 1 sheet numbered and dated or revised as follows

A101 - Plans Elevations & Section (10/01/98)

The attached plans consist of 4 units numbered as follows

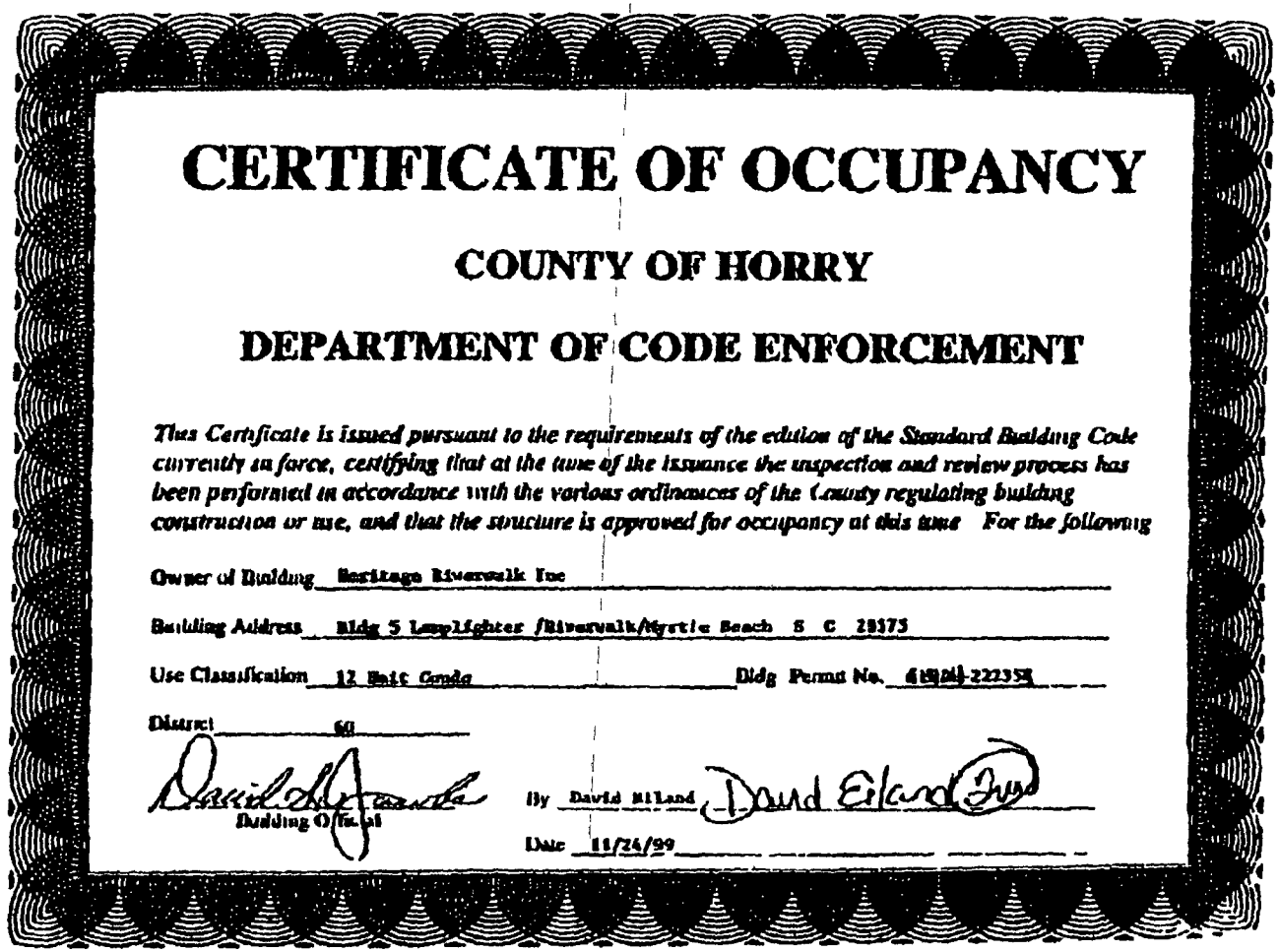
Units II One-F II One-G II One-H II One-I

The visible components of the completed building comprising Garage Building One of this project, appear to conform to the attached plans The floor plans show graphically the dimensions area and location of the proposed units and the access to each unit. Other proposed common elements, both limited and general are shown graphically insofar as possible In addition the suggested number of each unit has been shown on the plans. The undersigned is not the "Architect of Record" on the subject building did not provide construction observation of the subject building and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above

By: Matthew B Ward Architect
Matthew B Ward

SC License # 04926

Dated: 11-30-99



CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Bldg 5 Lamplighter /Riverwalk/Myrtle Beach S C 29575

Use Classification 12 Unit Condo Bldg Permit No. 4[illegible]-222358

District 68

Building Official

By David Eiland

Date 11/24/99

Received NOV-24-99 03 22pm From 8834978462
NOV - 4 (TUE) 15 11 H C CODE ENFORCEMENT 803 248 1406 - BUILDSTAR INC TEL 803 248 1406 Page P 02

New Construction Subterranean Termite Soil Treatment Record

This form is completed by the licensed Pest Control Company

This report is submitted for informational purposes to the builder on proposed (new) construction cases when soil treatment for prevention of subterranean termite infestation is specified by the builder architect, or required by the lender architect, FHA, or VA.

All contracts for services are between the Pest Control Operator and builder unless stated otherwise.

Section 1 General Information *(Treating Company Information)*

Company Name: Terminix Service

Company Address: P O Box 1830 City: Conway State: SC Zip: 29528

Company Business License No.: B 0002122 Company Phone No.: (843) 234-0137

FHA/VA Case No. (if any):

Section 2: Builder Information

Company Name: Heritage Comm. Properties

Phone No. (843) 449-6700

Section 3: Property Information

Location of Structure(s) Treated *(Street Address, or Legal Description, City, State and Zip)*: Condo Bldg only
Riverwalk II Bldg # 5

Type of Construction: ☒ Slab ☐ Basement ☐ Crawl ☐ Other
(More than one box may be checked)

Approximate Depth of Footing: Outside: 1 ft Inside: 1 ft Type of Fill:

Section 4: Treatment Information

Date(s) of Treatment(s): 7/7/99

Brand Name of Product(s) Used: Dursban TC EPA Registration No.: 464-562

Approximate Final Mix Solution %: .75%

Approximate Size of Treatment Area:
Sq. ft.: 3808 Linear ft.: 148 Linear ft. of Masonry Voids: 0

Approximate Total Gallons of Solution Applied: 550

Was treatment completed on exterior? ☐ YES ☒ NO

Service Agreement Available: ☒ YES ☐ NO
Note: Some state laws require service agreements to be issued. This form does not preempt state law.

Attachments *(List)*:

Comments: Final treatment to be completed when landscaping is completed

Name of Applicator(s): Tom Johnson Certification No. *(if required by state law)*: CA 011288

The applicator has used a product in accordance with the product label and state requirements. All treatment materials and methods used comply with state and federal regulations.

Authorized Signature: John Sharpe Date: 11/09/99

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

THIS FORM MAY NOT BE ALTERED.

Forms VA-26-8276 and HUD-92563 are obsolete

Form NPCA-99b

(9/97)

Subterranean Termite Soil Treatment Builder's Guarantee

This form is completed by the builder.

This form is submitted for proposed (new) construction cases when soil treatment for prevention of subterranean termite infestation is specified by the builder or required by the lender the architect FHA or VA.

This form is to be completed by the builder This guarantee is issued by the builder to the buyer This guarantee is not to be considered as a waiver of or in place of any legal rights or remedies that the buyer may have against the builder

FHA/VA Case No _____

Location of Structure(s) *(Street address, or Legal Description City State and Zip)* _____

Riverwalk at Arrowhead Building II-5, 1512 Lantern s Rest Road, Myrtle Beach, SC 29579

_____

Buyer's Name _____

The undersigned builder guarantees to the buyer and his or her successors, and assignees, that the structure at the location referenced above has been treated for subterranean termites by an application of a liquid termiticide. The builder further guarantees that the applicator is a state licensed pest control company and that the product was applied in accordance with the product label and state requirements. All treatment materials and methods used comply with state and federal regulations.

The builder hereby guarantees that, if subterranean termite infestation should occur within 5 years from the date of treatment, the builder will ensure that a licensed or otherwise state authorized pest control company (where required by state law) or other qualified licensed pest control company retreat the soil, or at the option of the buyer use other EPA registered products, as necessary to control the infestation in the structure. This retreatment and application will be without cost to the buyer The builder further agrees to repair all damage by subterranean termites within the one year builder's warranty period. This guarantee does not apply to additions or alterations that are made which affect the original structure or treated soil. Examples include, but are not limited to, landscape and mulch alterations which disturb the chemical barrier and create new subterranean termite hazards, or interfere with the control measures.

If within the guarantee period the builder questions the validity of a claim by the buyer the claim will be investigated by an unbiased expert mutually agreeable to the builder and buyer The report of the expert will be accepted as the basis for disposition of the case. The non-prevailing party will pay the cost of any inspections made to investigate the claim.

Builder's Company Name: Heritage Communities, Inc. Phone No (843) 449 6200

Authorized Signature: _____ Date: 11 2 99

Attention Buyer You may have the option of having the pest control company which performed the treatment or another pest control company inspect the property annually for an additional fee. For further information, contact the pest control firm listed on the NPCA-99b.

Consumer Maintenance Advisory **regarding Integrated Pest Management for Prevention of Wood Destroying Insects**

Information regarding prevention of wood destroying insect infestation is helpful to any property owner interested in protecting the structure from infestation. Any structure can be attacked by wood destroying insects. Periodic maintenance should include measures to minimize possibilities of infestation in and around a structure. Factors which may lead to infestation from wood destroying insects include foam insulation at foundation, earth-wood contact) faulty grader firewood against structural insufficient ventilation moisture, wood debris in crawl space, wood mulch, tree branches touching structures, landscape timers, and wood rot. Should these or other such conditions exist, corrective measure should be taken by the owner in order to reduce the chances of infestations by wood destroying insects) and the need for *treatment.*

An original and one copy of this guarantee are to be prepared by the builder and sent to the lender The lender provides one copy to the buyer at closing and includes a copy in the VA loan package or HUD insurance case binder The builder sends one copy to the licensed pest control company which performed the treatment.

Attached is a copy of the state authorized pest control company s New Construction Subterranean Termite Soil Treatment Record. VPCA 99b

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001 1010, 1012; 31 U.S.C 372g, 3802) *Form VPCA-99a*

THIS FORM MAY NOT BE ALTERED

Forms VA-26-8375 and HUD-92002 are obsolete
(2/97)

New Construction Subterranean Termite Soil Treatment Record

This form is completed by the licensed Pest Control Company.

This report is submitted for informational purposes to the builder on proposed (new) construction cases when soil treatment for prevention of subterranean termite infestation is specified by the builder, architect, or required by the lender, architect, FHA, or VA.

All contracts for services are between the Pest Control Operator and builder unless stated otherwise.

Section 1: General Information *(Treating Company Information)*

Company Name: Terminix Service

Company Address: P O Box 1836 City: Conway State: SC Zip: 29528

Company Business License No.: B 0002122 Company Phone No.: (843) 234-0137

FHA/VA Case No. (if any): _____

Section 2: Builder Information

Company Name: Heritage Comm. Properties

Phone No.: (843) 848-7212

Section 3: Property Information

Location of Structure(s) Treated *(Street Address, or Legal Description, City, State and Zip)*: 4 bay garage for Bldg #5 at Riverwalk Phase II

Type of Construction: ☒ Slab ☐ Basement ☐ Crawl ☐ Other _____
(More than one box may be checked)

Approximate Depth of Footing: Outside: 1 ft Inside: 1 ft Type of Fill: _____

Section 4: Treatment Information

Date(s) of Treatment(s): 11/16/99

Brand Name of Product(s) Used: Dursban TC EPA Registration No.: 464-362

Approximate Final Mix Solution %: 1

Approximate Size of Treatment Area
Sq. ft. 1813 Linear ft: _____ Linear ft. of Masonry Voids: 8

Approximate Total Gallons of Solution Applied: 150

Was treatment completed on exterior? ☐ YES ☒ NO

Service Agreement Available: ☒ YES ☐ NO
Note: Some state laws require service agreements to be issued. This form does not preempt state law.

Attachments *(List)*: _____

Comments: Final treatment to be done after landscaping is completed

Name of Applicator(s): Tom Johnson Certification No. *(if required by state/local)*: CA 011288

The applicator has used a product in accordance with the product label and state requirements. All treatment materials and methods used comply with state and federal regulations.

Authorized Signature: John Sharpe Date: 11/17/99

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

THIS FORM MAY NOT BE ALTERED. *Form NPCA-99a*

Forms HA-88-4578 and HUD-92552 are obsolete (3/97)

THIS AGREEMENT CONTAINS A BINDING, IRREVOCABLE AGREEMENT TO ARBITRATE AND IS SUBJECT TO ARBITRATION PURSUANT TO TITLE 15, CHAPTER 48 (UNIFORM ARBITRATION ACT) OF THE CODE OF LAWS OF SOUTH CAROLINA

FILED
HORRY COUNTY, S C
97 OCT 30 PM 3:45

MASTER DEED

FOR

RIVERWALK AT ARROWHEAD GOLF CLUB

HORIZONTAL PROPERTY REGIME

COPY

DEFENDANT'S EXHIBIT
#1
1987-1121

MASTER DEED

		Page
I.	Property Description	1
II	Survey and Description of Improvement	1
III	Additional Phases and Easements Therefore	2
IV	Units Common Elements and Limited Common Elements	4
V	Ownership of Units and Appurtenant Interest in Common Elements and Prohibition against Separate Ownership of Garage Units by Non Residential Unit Owners	5
VI	Restriction Against Further Subdividing of Units and Separate Conveyance of Appurtenant Common Elements Etc	6
VII	Condominium Subject to Restrictions Etc	7
VIII.	Perpetual Non-Exclusive Easement in Common Elements	7
IX.	Easements for Utilities	7
X.	Easement for Unintentional and Non-Negligent Encroachments	8
XI	Restraint Upon Separation and Partition of Common Elements	8
XII	Percentage of Undivided Interest in Common Elements Appurtenant to Each Unit	8
XIII.	Easement for Air Space	9
XIV	Administration of Riverwalk at Arrowhead Golf Club (A Condominium) by Riverwalk at Arrowhead Golf Club Property Owners' Association, Inc	9
XV	Residential Use Restriction Applicable to Units	10
XVI	Use of Common Elements Subject to Rules of Association	10
XVII.	Condominium to be used for Lawful Purposes Restriction Against Nuisances Etc	11

XVIII	Right of Entry into Units in Emergencies	12
XIX.	Right of Entry for Maintenance of Common Elements	12
XX.	Limitation Upon Right of Owners to Alter and Modify Units	12
XXI	Right of Association to Alter and Improve Common Elements and Assessments Therefore	13
XXII	Maintenance and Repair by Owners of Unit	14
XXIII	Maintenance and Repair of Common Elements by Association	15
XXIV	Personal Liability and Risk of Loss of Owner of Unit and Separate Insurance Coverage, Etc.	16
XXV	Insurance coverage to be Maintained by the Association, Insurance Trustee Appointment and Duties Approval of Insurers by Institutional Lender Use and Distribution of Insurance Proceeds Etc.	17
XXVI.	Apportionment of Tax or Special Assessment if Levied and Assessed Against the Condominium as a Whole	20
XXVII.	The Association to Maintain Registry of Owners and Mortgagees	21
XXVIII.	Assessment, Liability Lien and Enforcement	21
XXIX.	Termination	27
XXX	Amendment of Master Deed	28
XXXI.	Remedies in Event of Default	30
XXXII	Use or Acquisition of Interest in the Condominium to Render User or Acquirer Subject to Provisions of Master Deed, Rules and Regulations	31
XXXIII	Right of Grantor to Sell or Lease Unit Owned by it and Right of Grantor to Representation on Board of Directors of the Association	31
XXXIV	Annual Reports to be Provided to Lender	32
XXXV	Severability	32

XXXVI	Liberal Construction and Adoption of Provisions of Condominium Act	32
XXXVII.	Master Deed Binding Upon Grantor its Successors and Assigns, and Subsequent Owners	33
XXXVIII.	Definitions	33
XXXIX.	Arbitration	35
XL	Exhibit "A"	A
XLI	Exhibit "B"	B
XLII	Exhibit "C"	D
XLIII	Exhibit "D" - Articles of Incorporation	G
XLIV	Exhibit 'E" - Bylaws	L
XLV	Exhibit "F"	Z

MASTER DEED

for

Riverwalk at Arrowhead Golf Club

Horizontal Property Regime

Horry County, South Carolina

****

Heritage Riverwalk, Inc A South Carolina Corporation having its principal office at Myrtle Beach, County of Horry State of South Carolina, hereinafter referred to as the GRANTOR, as the sole owner in fee simple of the land and improvements hereinafter described, does hereby make declare and publish its intention and desire to submit, and does hereby submit, the lands and buildings hereinbelow described (Phase I), together with all other improvements thereon, including all easements rights and appurtenances thereto belonging to a Horizontal Property Regime (sometimes termed 'condominium" ownership) to be known as the Riverwalk at Arrowhead Golf Club in the manner provided for by Sections 27 31-10 through 27-31-300 (both inclusive) of Chapter 31 entitled Horizontal Property Act of the 1976 Code of Laws of South Carolina", as amended (the "Act") In conformity with Sections 27-31 30 and 27 31-100 of said Act, the GRANTOR sets forth the following Particulars

I

The lands and improvements which are hereby submitted to the Horizontal Property Regime are described as follows

FOR PROPERTY DESCRIPTION SEE ATTACHED EXHIBIT "A WHICH IS INCORPORATED HEREIN AND MADE A PART AND PARCEL HEREOF

II

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Annexed hereto and expressly made a part hereof, as Exhibit B, is a plot plan showing the location of the land buildings and other improvements comprising Phase I and a set of floor plans of the buildings which show graphically the dimensions, area and location of each UNIT therein and the dimensions area, and location of the COMMON ELEMENTS and LIMITED COMMON

ELEMENTS affording access to each UNIT Each UNIT is identified by a specific number on said Exhibit B, and no UNIT bears the same designation as any other UNIT Exhibit B is also recorded as a separate condominium plat in the public records of Horry County, maintained by the Register of Mesne Conveyances

III

ADDITIONAL PHASES AND EASEMENTS THEREFORE

In addition to the lands with improvements thereon in Phase I, the GRANTOR may construct additional UNITS on property contiguous to or near the property described in Paragraph I herein and submit same to the Riverwalk at Arrowhead Golf Club Horizontal Property Regime in additional phases not to exceed 100 phases (including Phase I) The additional property shall be referred to as 'Phase II' Phase III", "Phase IV" and continuing on with additional phases numbered consecutively through Phase C Each additional phase shall consist of one building containing not less than nine (9) Residential UNITS (as hereinafter defined) and not more than fifteen (15) Residential UNITS and associated COMMON ELEMENTS and may also contain from zero (0) to eight (8) Garage UNITS (as hereinafter defined in a separate building) In the event the GRANTOR exercises its right and option to add Phases II through C (or any one or more of said Phases), the property of said phase then submitted will become an integral part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime once the appropriate amendment to this Master Deed has been filed as hereinafter provided. Further, there is reserved by the GRANTOR, for itself its successors or assigns, in, over across under and upon the properties shown as Phase I (and each additional phase(s) which is submitted to the terms and provisions of this Master Deed) all easements and rights of ingress and egress necessary and convenient for the construction of the said Phases II through C or any one or more of them, as the case may be which such easements shall remain in full force and effect for such time as the GRANTOR, its successors and/or assigns retains the option of submitting the said Phases II through C or any one or more of them, to the Regime The easements reserved by the GRANTOR shall include but not be limited to, the easements expressly reserved by the GRANTOR pursuant to the terms of this Master Deed and the Exhibits and Amendments hereto as well as non exclusive easements over the roads driveways and parking areas for ingress and egress (including vehicular ingress and egress) and over any of the Common Elements for the installation and maintenance of utilities Such easements may be assigned, mortgaged or otherwise conveyed by GRANTOR, including a partial or non-exclusive assignment, mortgage or conveyance of such rights held by GRANTOR.

The GRANTOR hereby reserves unto itself, its successors or assigns the right and option, to be exercised at its sole discretion, to submit the Phases II through C property to the provisions of this Master Deed thereby causing such Phase(s), to become and be a part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime The GRANTOR may elect to exercise this right or option as to Phases II through C, no later than twenty (20) years from the filing of this Master Deed. Each additional Phase shall be added only upon execution by the GRANTOR its successors or assigns within the time specified herein, of an amendment or amendments to this Master Deed which shall

be filed of record in the Office of the Register of Mesne Conveyances for Horry County, South Carolina. Any such amendment shall expressly submit such Phase to all of the provisions of this Master Deed and the By Laws of Riverwalk at Arrowhead Golf Club Property Owners Association, Inc made a part hereof, as either or both may be amended. Upon the exercise if any, of this right or option, the provisions of this Master Deed and all exhibits hereto shall then be construed and understood as embracing Phase I (the basic "property" herein defined) and any future Phase(s) so submitted, as appropriate together with all improvements then or thereafter constructed. Should the GRANTOR fail to exercise its right or option within the time specified herein, then in that event, said option shall expire and be of no further force or effect

Although the site plan or other plans for the Riverwalk at Arrowhead Golf Club Horizontal Property Regime may show or depict certain amenities to be constructed as part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime, the GRANTOR shall have no obligation to construct any such amenities until such time if at all that the GRANTOR exercises its option to submit the phase of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime actually containing such amenities In the event that the GRANTOR does not construct and submit any phase to the terms and provisions of this Master Deed thereby making it a part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime the GRANTOR shall have no obligation whatsoever to construct any amenity associated with that phase of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime as provided for in this paragraph.

The right to submit the additional Phases to the Horizontal Property Regime is assignable by the GRANTOR. If GRANTOR elects to assign such right, the assignee shall be solely responsible therefor including, but not limited to, the quality of construction and compliance with this Master Deed.

The GRANTOR shall be under no obligation to construct or submit Phase III or any subsequent phase(s) Should Phase III or any subsequent Phase be constructed and submitted, GRANTOR shall be under no obligation to submit any future Phase(s) The construction and submission of each Phase shall be at the sole option of the GRANTOR. Further, GRANTOR may submit any Phase(s) to the provisions of this Master Deed in any order notwithstanding the numerical sequence thereof

Each Phase shall be depicted on a map or plat showing the boundaries of the Phase and the location thereon of all improvements, amenities parking etc. Phase I and each additional Phase, as constructed and submitted, shall constitute the entirety of the Regime and the Regime, the Association (as hereinafter defined) and the Owners of UNITS shall not acquire any rights as to any properties not depicted thereon and specifically submitted to the provisions of this Master Deed. The "site plan" 'floor plans", and all other Exhibits attached hereto incorporated herein and/or associated herewith which depict or refer to any Phase which has not been specifically made a part hereof by amendment as herein provided shall be of no force or effect as to such additional phase(s) until such Phase has been incorporated herein by amendment. No such ' site plan etc shall constitute a warranty or representation that any additional Phase will be constructed or submitted or that any amenity is or will be constructed or submitted Until such time, if at all, as an additional

Phase is submitted to the terms of this Master Deed by amendment as herein required all real estate upon which additional Phases may be added may be used for any lawful purpose by the Owner thereof

ALTHOUGH PORTIONS OF THE RIVERWALK AT ARROWHEAD GOLF CLUB HORIZONTAL PROPERTY REGIME MAY BE LOCATED ADJACENT TO PROPERTY ON WHICH IS CURRENTLY LOCATED A GOLF COURSE AND RELATED FACILITIES, SUCH GOLF COURSE AND RELATED FACILITIES ARE OWNED BY AN UNRELATED THIRD PARTY AND ARE NOT OWNED OR CONTROLLED BY GRANTOR. NO OWNER SHALL ACQUIRE ANY RIGHTS IN SUCH GOLF COURSE AND RELATED FACILITIES BY VIRTUE OF HIS OWNERSHIP OF A UNIT(S) WITHIN THE RIVERWALK AT ARROWHEAD GOLF CLUB HORIZONTAL PROPERTY REGIME FURTHER, GRANTOR MAKES NO REPRESENTATIONS REGARDING THE CONTINUED EXISTENCE OF SAID GOLF COURSE OR AS TO THE FUTURE USE OF THE PROPERTY ON WHICH SAID GOLF COURSE IS CURRENTLY LOCATED

IV

UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

The CONDOMINIUM consists of UNITS COMMON ELEMENTS and LIMITED COMMON ELEMENTS as said terms are hereinafter defined

UNITS, as the term is used herein, shall mean either a Residential UNIT or a Garage UNIT, as follows

A. Residential UNITS shall mean and comprise the twelve (12) separate and numbered UNITS which comprise Phase I and which are described in Exhibit B to this Master Deed, excluding, however all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings of each UNIT, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior loadbearing walls and/or unfinished bearing partitions, and further excluding all pipes, ducts, wires conduits and other facilities running through any interior wall or partition for the furnishing of utility services to UNITS and COMMON ELEMENTS

B Garage UNITS shall mean the separate and numbered UNITS if constructed and submitted to this Master Deed in future phases, designated as Garage UNITS in the Amendment to this Master Deed filed by Grantor excluding however all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors and above the undecorated and/or unfinished inner surfaces of the ceilings of each UNIT and further excluding all spaces and

improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior loadbearing walls and/or unfinished bearing partitions and further excluding all pipes ducts, wires conduits and other facilities running through any interior wall or partition from the furnishing of utility services to the Garage Units

COMMON ELEMENTS as the term is used herein, shall mean and comprise all of the real property, improvements and facilities of the CONDOMINIUM other than the UNITS, as same are hereinabove defined and shall include easements through UNITS for conduits pipes ducts plumbing, wiring and other facilities for the furnishing of utility service to UNITS and COMMON ELEMENTS easements of support in every portion of a UNIT which contributes to the support of the improvements and shall further include all personal property held and maintained for the joint use and enjoyment of all of the Owners of all such UNITS The term "COMMON ELEMENTS" may be further defined in other provisions of this Master Deed and the exhibits and amendments hereto by specific designation of certain improvements and facilities as COMMON ELEMENTS Such further designation of COMMON ELEMENTS shall not act to limit the definition of COMMON ELEMENTS as herein provided, but is intended to be in addition thereto

LIMITED COMMON ELEMENTS, as the term is used herein shall mean and comprise the following (A) The surface areas, railing and/or walls of all balconies, screened porches decks or grade level patios accessible by normal means from the UNIT (including fences and railings) immediately adjacent to the UNIT and all storage closets located outside of the Units which are designated for the exclusive use and benefit of a single UNIT in this Master Deed and Amendments hereto (B) All water power, telephone electricity plumbing gas and sewage lines located in the UNIT provided, however, that the portion of said lines located in a common compartment for or installation of such lines shall be COMMON ELEMENTS as described above. LIMITED COMMON ELEMENTS are intended for the exclusive use and benefit of the UNIT which it is associated with. In all other respects, and except as specifically provided in this Master Deed LIMITED COMMON ELEMENTS shall be treated as, and included within the definition of the term COMMON ELEMENTS"

V

OWNERSHIP OF UNITS AND APPURTENANT INTEREST IN COMMON ELEMENTS AND PROHIBITION AGAINST SEPARATE OWNERSHIP OF GARAGE UNITS BY NON-RESIDENTIAL UNIT OWNERS

Subject to the restrictions applicable to Garage UNITS set out below, each UNIT shall be conveyed and treated as an individual property capable of independent use and fee simple ownership and the Owner or Owners of each UNIT shall own as an appurtenance to the ownership of each said UNIT, an undivided interest in the COMMON ELEMENTS the undivided interest appurtenant to each said UNIT being that which is hereinafter specifically assigned thereto The percentage of undivided interest in the COMMON ELEMENTS assigned to each UNIT shall not be changed except with the

unanimous consent of all of the Owners of all of the UNITS and except as provided in Article III with regard to the amendments of this Master Deed to admit additional Phase(s) into this Horizontal Property Regime There shall also be appurtenant to each UNIT the exclusive right to the use of the LIMITED COMMON ELEMENTS appurtenant to that UNIT in accordance with the provisions of this Master Deed

Other than Grantor, a Garage UNIT may not be owned by any person other than an Owner of a Residential UNIT If the Owner of a Residential UNIT and a Garage UNIT conveys the Residential UNIT separately without having previously conveyed the Garage UNIT to another Residential UNIT Owner, title to the Garage UNIT shall be deemed to be conveyed with the Residential UNIT

VI

RESTRICTION AGAINST FURTHER SUBDIVIDING
OF UNITS AND SEPARATE CONVEYANCE
OF APPURTENANT COMMON ELEMENTS, ETC.

No UNIT may be divided or subdivided into a smaller UNIT than as shown on Exhibit B attached hereto nor shall any UNIT or portion thereof be added to or incorporated into any other UNIT except as provided in Exhibit B hereto The undivided interest in the COMMON ELEMENTS and the right as to the LIMITED COMMON ELEMENTS declared to be an appurtenance to each UNIT shall not be conveyed, devised, encumbered or otherwise dealt with separately from said UNIT, and the undivided interest in COMMON ELEMENTS appurtenant to each UNIT shall be deemed conveyed devised, encumbered or otherwise included with the UNIT even though such undivided interest is not expressly mentioned or described in the instrument conveying devising, encumbering, or otherwise dealing with such UNIT Any conveyance mortgage or other instrument which purports to affect the conveyance devise or encumbrance or which purports to grant any right, interest or lien in to or upon, a UNIT shall be null void and of no effect insofar as the same purports to affect any interest in a UNIT and its appurtenant undivided interest in COMMON ELEMENTS, and the right as to the LIMITED COMMON ELEMENTS unless the same purports to convey, devise encumber or otherwise trade or deal with the entire UNIT Any instrument conveying devising, encumbering or otherwise dealing with any UNIT which describes said UNIT by the UNIT Number assigned thereto in Exhibit B without limitation or exception, shall be deemed and construed to affect the entire UNIT and its appurtenant undivided interest in the COMMON ELEMENTS and its right as to the LIMITED COMMON ELEMENTS Nothing herein contained shall be construed as limiting or preventing ownership of any UNIT and its appurtenant undivided interest in the COMMON ELEMENTS by more than one person or entity as tenants in common, or joint tenants. Further nothing contained herein shall be construed as limiting or preventing the GRANTOR, its successors or assigns from adding additional phase(s) as provided herein

VII

CONDOMINIUM SUBJECT TO RESTRICTIONS, ETC

The UNITS, COMMON ELEMENTS and LIMITED COMMON ELEMENTS shall be, and the same are hereby declared to be subject to the restrictions, easements, conditions and covenants prescribed and established herein, governing the use of said UNITS and COMMON ELEMENTS and setting forth the obligations and responsibilities incident to ownership of each UNIT and its appurtenant undivided interest in the COMMON ELEMENTS and said UNITS and COMMON ELEMENTS are further declared to be subject to the restrictions, easements, conditions and limitations now of record affecting the land and improvements of the CONDOMINIUM

VIII

PERPETUAL NON EXCLUSIVE EASEMENT IN COMMON ELEMENTS

The COMMON ELEMENTS shall be and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Owners of UNITS in the CONDOMINIUM for their use and the use of their immediate families guests and invitees, for all proper and normal purposes and for the furnishing of services and facilities for which the same are reasonably intended for the enjoyment of said Owners of UNITS Notwithstanding anything above provided in this Article, Riverwalk at Arrowhead Golf Club Property Owners' Association, Inc , hereinafter identified, shall have the right to establish the rules and regulations pursuant to which the Owner or Owners of any UNIT may be entitled to the exclusive use of any parking space or spaces Provided further that if the Board of Directors of said Association determines it to be in the best interest of all of the Co-owners, the Board of Directors may hereafter grant easements for the benefit of the Regime Property and the Co-owners Each Co owner, by the acceptance of the deed to his UNIT does hereby grant to the Board of Directors an irrevocable power of attorney to execute, deliver and record for and in the name of each Co-owner, such instruments as may be necessary and proper to the granting of such easements

IX.

EASEMENTS FOR UTILITIES

GRANTOR hereby reserves, for the benefit of itself, its successors and assigns the alienable, transferable and perpetual right and easement, as well as the power and authority to grant and accept easements to and from any private or public authority agency public service district, public or private utility or other person or company upon over under and across all or any portion of the COMMON ELEMENTS for constructing installing, replacing, repairing operating, maintaining and using master television antenna, television cable systems and/or telephone systems Such easements may be granted or accepted by GRANTOR with respect to the COMMON ELEMENTS without notice to or consent by the ASSOCIATION or UNIT Owners Telephone master television

antennas and/or cable system services may be provided to the project pursuant to the terms of agreements between the ASSOCIATION and GRANTOR, its affiliates its successors or assigns, or third parties However nothing herein shall obligate GRANTOR to provide any such services.

X.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

If any portion of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS now encroaches upon any UNIT or if any UNIT now encroaches upon any other UNIT or upon any portion of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS as a result of the construction or repair of any building or if any such encroachment shall occur hereafter as a result of settlement or shifting of any building or otherwise a valid easement for the encroachment and for the maintenance of the same, so long as the building stands, shall exist. In the event any building, any UNIT any adjoining UNIT or any adjoining COMMON ELEMENT or LIMITED COMMON ELEMENTS shall be partially or totally destroyed as the result of fire or other casualty or as the result of condemnation or eminent domain proceedings and the reconstructed building, UNIT or part of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS encroaches upon any UNIT or over any UNIT, or upon any portion of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS due to such reconstruction, the reconstruction shall be permitted and valid easements for such encroachments and maintenance thereof shall exist so long as the building shall stand.

XI

RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

Recognizing that the proper use of a UNIT by any Owner or Owners is dependent upon the use and enjoyment of the COMMON ELEMENTS in common with the Owners of all other UNITS and that it is in the interest of all Owners of UNITS that the ownership of the COMMON ELEMENTS be retained in common by the Owners of UNITS in the Condominium it is declared that the percentage of the undivided interest in the COMMON ELEMENTS appurtenant to each UNIT shall remain undivided and no Owner of any UNIT shall bring or have any right to bring any action for partition or division Provided, however, the Co-owner's interest in the COMMON ELEMENTS may be diminished by the addition of Phase II or any additional phase(s), as set forth in Article III herein.

XII

PERCENTAGE OF UNDIVIDED INTEREST IN
COMMON ELEMENTS APPURTENANT TO EACH UNIT

The undivided interest in the COMMON ELEMENTS appurtenant to each UNIT in Phase I is that percentage of undivided interest which is set forth and assigned to each UNIT in that certain Schedule which is annexed hereto and expressly made a part hereof as Exhibit C, or following

submission of additional Phase(s) calculated in accordance with the schedule set forth in Exhibit "C"

XIII

EASEMENT FOR AIR SPACE

The Owner of each UNIT shall have an exclusive easement for the use of the air space occupied by said UNIT as it exists at any particular time and as said UNIT may lawfully be altered or reconstructed from time to time which easement shall be terminated automatically in any air space which is vacated from time to time

XIV

ADMINISTRATION OF
RIVERWALK AT ARROWHEAD GOLF CLUB (A CONDOMINIUM)
BY RIVERWALK AT ARROWHEAD COUNTRY CLUB
PROPERTY OWNERS' ASSOCIATION, INC.

To efficiently and effectively provide for the administration of the CONDOMINIUM by the Owners of UNITS, a non profit South Carolina corporation known and designated as the Riverwalk at Arrowhead Country Club Property Owners' Association, Inc has been organized, and said corporation shall administer the operation and management of the CONDOMINIUM and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions and conditions of this Master Deed, and in accordance with the terms of the Articles of Incorporation of the Riverwalk at Arrowhead Country Club Property Owners' Association, Inc hereinafter referred to as the ASSOCIATION and By-Laws of said corporation. A true copy of the Articles of Incorporation and By-Laws of the ASSOCIATION are annexed hereto and expressly made a part hereof as Exhibit D and Exhibit E respectively The Owner or Owners of each UNIT shall automatically become members of the ASSOCIATION upon his their or its acquisition of an ownership interest in any UNIT and its appurtenant undivided interest in COMMON ELEMENTS and the membership of such Owner or Owners shall terminate automatically upon each Owner or Owners being divested of such ownership interest in such UNIT, regardless of the means by which such ownership may be divested. No person firm or corporation holding any lien, mortgage or other encumbrance upon any UNIT shall be entitled, by virtue of such lien, mortgage or other encumbrance to membership in the ASSOCIATION or to any of the rights or privileges of such membership In the administration of the operation and management of the CONDOMINIUM, the ASSOCIATION shall have and is hereby granted the authority and power to enforce the provisions of this Master Deed, levy and collect assessments in the manner hereinafter provided, and to adopt, promulgate and enforce such rules and regulations governing the use of the UNITS COMMON ELEMENTS and LIMITED COMMON ELEMENTS as the Board of Directors of the ASSOCIATION may deem to be in the best interest of the CONDOMINIUM.

XV

USE RESTRICTIONS APPLICABLE TO UNITS

A Residential UNITS Each Residential UNIT is hereby restricted to residential use by the Owner or Owners thereof, their immediate families guests and invitees provided, however there shall be no restriction as to the length of time which an Owner may rent his or her UNIT Further, provided, however that so long as GRANTOR shall retain any interest in any UNIT or have the right to add any additional phase(s) to the CONDOMINIUM, it may utilize a UNIT or UNITS of its choice from time to time for sales offices models and/or other usages for the purpose of selling and marketing UNITS in the CONDOMINIUM or in other projects in which GRANTOR may have an interest. Further still, GRANTOR may assign this commercial usage right to such other persons or entities as it may choose, provided, however that when all UNITS have been conveyed and the GRANTOR, its successors and assigns no longer has the right to add any additional PHASES(S) to the CONDOMINIUM, this right of commercial usage shall immediately cease. Further, the GRANTOR shall have the right and easement to install and maintain signage on portions of the COMMON ELEMENTS to be used relative to GRANTOR'S marketing of UNITS within the CONDOMINIUM, as long as GRANTOR owns a UNIT(S) within the CONDOMINIUM or has the right to add an additional PHASE(S) to the CONDOMINIUM

B Garage UNITS Each Garage UNIT is hereby restricted to use by the Owner or Owners thereof as a storage facility for automotive vehicles and watercraft, subject to the provisions herein contained. The Garage UNIT must be kept closed at all times, except when entering or exiting UNIT No living facilities may be established within a Garage UNIT No Garage UNIT owner shall cause or permit the presence use disposal, storage or release of any hazardous substances within a Garage UNIT No animals or pets are allowed in a Garage UNIT Grills may not be stored within a Garage UNIT

C No UNIT (both Residential UNITS and Garage UNITS) or any portion thereof may be submitted to a plan of interval ownership or any form of timesharing Provided however, nothing herein shall be construed as limiting the right of any Owner of any UNIT from renting or leasing his or its UNIT

XVI

USE OF COMMON ELEMENTS SUBJECT TO
RULES OF ASSOCIATION

The use of COMMON ELEMENTS and LIMITED COMMON ELEMENTS by the Owner or Owners of all UNITS and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may hereafter be prescribed and established by the ASSOCIATION

In addition to the rules and regulations promulgated by ASSOCIATION the property is hereby restricted such that the only pets which are permitted within the Horizontal Property Regime including the UNITS, the COMMON ELEMENTS and LIMITED COMMON ELEMENTS are companion pets such as birds, domesticated cats fish, dogs and other small mammals Under no circumstances are exotic cats, non human primates, horses or other farm livestock or zoo type animals permitted within the Horizontal Property Regime. Pets must be on a leash or carried when on any COMMON ELEMENTS Further, the Board of Directors of the Association may restrict pets to certain designated areas within the COMMON ELEMENTS and may further establish rules regulating pets within the COMMON ELEMENTS It shall be the Owner's obligation to dispose of waste material from pets. The Board of Directors of the ASSOCIATION shall have the right to order the removal of any pet which, in the Board s sole discretion, is considered a nuisance and the same shall be done without compensation to the Owner In such event, the Board shall give written notice thereof to the pet owner and the pet shall immediately thereafter be permanently removed from the Horizontal Property Regime A pet not on a leash shall be deemed a nuisance. Failure to properly dispose of the waste material from a pet shall be deemed a nuisance

In addition to the rules and regulations promulgated by the Association the property is hereby restricted such that no trailers, campers mobile homes boats watercraft or unregistered abandoned or inoperable motor vehicles are permitted within the COMMON ELEMENTS or LIMITED COMMON ELEMENTS Provided however, boats and other watercraft may be stored within Garage UNITS as long as such boats and other watercraft are completely enclosed within such Garage UNIT and the door to same is kept closed except when entering and exiting the Garage UNIT Further no motorcycles or motor bikes may be operated, located or maintained upon the property

In addition to the foregoing, no gas or charcoal grills may be located within a UNIT or LIMITED COMMON ELEMENTS nor shall any other cooking devices be located, maintained or used on any LIMITED COMMON ELEMENT or COMMON ELEMENT (including decks porches or patios notwithstanding whether same is part of a UNIT the COMMON ELEMENTS or LIMITED COMMON ELEMENTS) except for grills provided by the Association and specifically designated for such use by ASSOCIATION

XVII

CONDOMINIUM TO BE USED FOR LAWFUL PURPOSES, RESTRICTION AGAINST NUISANCES, ETC.

No immoral improper offensive or unlawful use shall be made of any UNIT or of the COMMON ELEMENTS or LIMITED COMMON ELEMENTS or any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the CONDOMINIUM shall be observed No Owner of any UNIT shall permit or suffer anything to be done or kept in his UNIT the COMMON ELEMENTS or LIMITED COMMON ELEMENTS,

which will increase the rate of insurance on the CONDOMINIUM, or which will obstruct or interfere with the rights of other occupants of the building or annoy them by unreasonable noises, and no Owner shall undertake any use or practice which shall create and constitute a nuisance to any other Owner of a UNIT or which shall interfere with the peaceful possession and proper use of any other UNIT COMMON ELEMENTS or LIMITED COMMON ELEMENTS

XVIII

RIGHT OF ENTRY INTO UNITS IN EMERGENCIES

In case of any emergency originating in or threatening any UNIT regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the ASSOCIATION or any other person authorized by it, shall have the right to enter such UNIT and the LIMITED COMMON ELEMENTS for the purpose of remedying or abating the cause of such emergency and such right of entry shall be immediate To facilitate entry in the event of any such emergency the Owner of each UNIT shall deposit under the control of the ASSOCIATION a key to such UNIT

XIX.

RIGHT OF ENTRY FOR MAINTENANCE OF COMMON ELEMENTS

Whenever it is necessary to enter any UNIT for the purpose of performing any maintenance, alteration or repair to any portion of the COMMON ELEMENTS, the Owner of each UNIT shall permit the duly constituted and authorized Agent of the ASSOCIATION to enter such UNIT and its LIMITED COMMON ELEMENTS provided that such entry shall be made only at reasonable times and with reasonable advance notice In that regard, ASSOCIATION or its designated contractor shall perform monthly service for pest control which will include spraying within each UNIT and each Owner of a UNIT is hereby so notified.

XX.

LIMITATION UPON RIGHT OF OWNERS
TO ALTER AND MODIFY UNITS

No Owner of a UNIT shall permit any structural modifications or alterations without first obtaining the written consent of the ASSOCIATION, which consent may be withheld in the event that a majority of the Board of Directors of the ASSOCIATION determines, in its sole discretion, that such structural modifications or alterations would affect or in any manner endanger the building in part or in its entirety or adversely affect the aesthetics of the building No Owner shall cause any balcony porch deck or patio abutting his UNIT to be enclosed or cause any improvements or changes to be made on the exterior of the building, including painting or other decoration, or the installation of electrical wiring, television antenna, machines or air conditioning units which may protrude through the walls or roof of the building or in any manner change the appearance of any

portion of the building not within the walls of such UNIT, or affix storm panels or awnings, without the written consent of the ASSOCIATION being first obtained. Notwithstanding the foregoing, nothing herein shall limit the right of the GRANTOR to enclose balconies decks or porches as a part of the original construction of any building Further no Owner of a Garage UNIT may cause any improvement or change to be made to the exterior door of such Garage UNIT including painting or other decoration, or in any manner change the appearance of the exterior of any portion of the Garage UNIT Building.

Without limiting the foregoing, no Owner shall install any receiving or transmitting device which requires any exterior protrusion whatsoever, nor shall any antennae, satellite dish or other receiving or transmitting device be located on any balcony, porch, patio or deck. Further, no clotheslines shall be placed or maintained on the exterior of any UNIT (including on any balconies, porches patios or decks) In addition, for the purpose of aesthetic harmony all window treatments shall include a uniform white backing which shall be visible from the exterior of the UNIT All patios balconies, porches and decks which are LIMITED COMMON ELEMENTS shall be maintained in a neat and orderly appearance by the OWNER of the UNIT for which its use is intended. Patios, balconies, porches and decks shall not be used for storage To prevent unsightly conditions within the CONDOMINIUM nothing shall be kept and maintained on or within any porches, balconies, decks and patios except normal patio furniture and plants Further, no Owner, or his agent, may place any signs upon the COMMON ELEMENTS or within his UNIT or the LIMITED COMMON ELEMENTS so as to be visible from the exterior of the UNITS including, without limitation "For Sale" signs Nothing herein shall limit the rights of GRANTOR to place signage upon the COMMON ELEMENTS

Any improvements or alterations made to a UNIT or COMMON ELEMENT by a UNIT Owner (other than Grantor) without authorization in accordance with the foregoing must be removed within thirty (30) days after notice from the Association or the Association may remove the unauthorized improvement or alteration and assess the Owner in violation any charges necessary for the removal

XXI

RIGHT OF ASSOCIATION TO ALTER AND IMPROVE COMMON ELEMENTS AND ASSESSMENTS THEREFOR

The ASSOCIATION shall not make or cause to be made alterations or improvements to the COMMON ELEMENTS which prejudice the rights of the Owner of any UNIT unless such Owner's written consent has been obtained provided however the making of such alterations and improvements must first be approved by the Board of Directors of the ASSOCIATION and, except as hereinafter provided, the cost of the alterations or improvements shall be assessed as a common expense to be collected from all of the Owners of UNITS according to the percentages set out in Exhibit C of the Master Deed Where any alterations and improvements are exclusively or substantially exclusively for the benefit of the Owner or Owners of a UNIT or UNITS requesting

the same, then the cost of such alterations and improvements shall be assessed against and collected solely from the Owner or Owners of the UNIT or UNITS exclusively or substantially exclusively benefitted, the assessment to be levied in such proportion as the percentage interests of each of the UNITS being benefitted bears to the total of the percentage interests of all of the UNITS benefitted as set forth on Exhibit "C" hereto

XXII

MAINTENANCE AND REPAIR BY OWNERS OF UNITS

Every Owner must perform promptly all maintenance and repair work within his UNIT and of all LIMITED COMMON ELEMENTS to which such UNIT has exclusive use which, if omitted would affect the CONDOMINIUM in its entirety or any part belonging to other Owners and shall be expressly responsible for the damages and liability which his failure to do so may engender Further, the Owner of each UNIT shall be liable and responsible for the maintenance, repair and replacement, as the case may be of all air conditioning and heating equipment stoves, refrigerators fans dryer vents and hoses all condensation lines serving the heating, ventilation and air-conditioning system for any UNIT or other appliances or equipment now or hereafter located within such UNIT or serving that particular UNIT exclusively including any fixtures and/or their connections required to provide water light, power, sewage and sanitary service to his UNIT Provided however, ASSOCIATION , as a common expense shall maintain, repair and replace any portions of the foregoing which are not part of a UNIT and which serve more than one (1) UNIT Such Owner shall further be responsible and liable for maintenance repair and replacement of any and all window glass, wall ceiling and floor exterior surfaces, painting, decorating and furnishings and all other accessories which such Owner may desire to place or maintain in his UNIT and of all LIMITED COMMON ELEMENTS to which such UNIT has exclusive use Further and notwithstanding whether same is a part of the UNIT a COMMON ELEMENT or a LIMITED COMMON ELEMENT, each UNIT Owner shall be responsible for the maintenance repair and replacement of all doors door frames, windows window frames and all screens (including those in any screened porches) associated with or used in conjunction with that UNIT The ASSOCIATION at its expense, shall be responsible for the painting of all exterior portions of the buildings, including the exteriors of all doors doorframes and window frames (including the doors on any exterior storage closets) on a regular schedule. In between the times set for such regular painting each UNIT Owner shall be responsible for painting the exteriors of all doors, doorframes and window frames associated with that Owner's UNIT and doors on storage closets maintained by ASSOCIATION at such time as same is needed, using a paint of the color brand and type as is approved by the ASSOCIATION Wherever the maintenance, repair and replacement of any items for which the Owner of a UNIT is obligated to maintain repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the ASSOCIATION, the proceeds of the insurance received by the ASSOCIATION or the Insurance Trustee hereinafter designated, shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner of such UNIT shall be in said instance required to pay such portion of the costs of such maintenance, repair and replacement as shall, by reason of the applicability of any deductibility

provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement. The porch, deck or patio floors, the walls facing the porch, deck or patio, and any porch, deck or patio railings attached to his UNIT shall be maintained by the Owner of that UNIT at his expense, provided however said Owner shall take no action which will alter the exterior appearance of the building Should the Owner fail to provide the maintenance and/or repairs as required the ASSOCIATION shall have the right to enter the UNIT to accomplish same at the sole cost and expense of the Owner and said cost and expense shall be charged against the Owner including the expense of making a key should Owner fail to deposit a key with the ASSOCIATION pursuant to the requirements of Article XII Any such costs and expenses shall become a lien on the UNIT in like manner as an assessment.

XXIII

MAINTENANCE AND REPAIR OF COMMON ELEMENTS
BY ASSOCIATION

The ASSOCIATION at its expense, shall be responsible for the maintenance repair and replacement of all of the COMMON ELEMENTS, including those portions thereof which contribute to the support of the building, and all conduits plumbing wiring and other facilities located in the COMMON ELEMENTS for the furnishing of utility services to the UNITS and said COMMON ELEMENTS and further including the roadway named "Riverwalk Drive' and should any incidental damage be caused to any UNIT by virtue of any work which may be done or caused to be done by the ASSOCIATION in the maintenance, repair or replacement of any COMMON ELEMENTS the ASSOCIATION shall, at its expense repair such incidental damage

It shall further be the obligation of the ASSOCIATION to perform the major repairs and replacements for which reserves have been established at successive intervals not longer than in accordance with the anticipated useful life of each such portion of the COMMON ELEMENTS as provided in Exhibit "F" attached hereto (the "Maintenance Schedule") The Board of Directors of ASSOCIATION may however cause such repairs and replacements to be undertaken at shorter intervals than those provided in the Maintenance Schedule The Board of Directors of ASSOCIATION may not defer or delay the timing of the repair and replacements of the portions of the COMMON ELEMENT as set forth in the Maintenance Schedule without the written consent of GRANTOR and all such repairs and replacements must be undertaken by ASSOCIATION at the times provided in the Maintenance Schedule unless the GRANTOR otherwise consents in writing. In the event that no time is provided for in the Maintenance Schedule for any portion of the COMMON ELEMENTS the ASSOCIATION through its Board of Directors shall establish the timing of the maintenance and replacement thereof in accordance with the anticipated useful life thereof

The Board of Directors of ASSOCIATION shall cause the COMMON ELEMENTS to be inspected and evaluated annually by a professional engineer architect, qualified property inspector or other qualified professional, who shall then render a maintenance recommendation report to the Board of

Directors of the ASSOCIATION and to the Grantor as to the condition of the COMMON ELEMENTS as well as any recommendations for repairs and maintenance of the COMMON ELEMENTS Such report shall be used by ASSOCIATION to assist it in the performance of the maintenance of the COMMON ELEMENTS All of such reports shall be maintained in the files of ASSOCIATION and may be reviewed by any Owner, upon reasonable request The first such inspection shall occur not later than one (1) year from the date of the filing of this Master Deed. Each subsequent inspection shall occur annually between January 1 and July 1 of each year The cost of such inspection and report shall be a common expense The term "Qualified Professional" as used herein shall mean a person whose education training and work experience, as well as licenses and other professional qualifications qualifies such person to perform the services provided for herein, in the reasonable discretion of the Board of Directors, after review of such qualifications The Board of Directors shall report to the Association and the Grantor that any repair or maintenance suggested by such maintenance recommendation report has been corrected within sixty (60) days of receipt of such report.

In addition to the foregoing, the Board of Directors of the ASSOCIATION shall cause to be maintained a termite bond covering the buildings comprising the CONDOMINIUM which will provide coverage for the repair replacement and retreatment of any portion of the buildings which are damaged or destroyed by infestation of termites or other wood boring organisms Such bond shall be maintained in full force and effect at all times and the cost thereof shall be a common expense of the ASSOCIATION

The provisions of this Section XXIII may not be amended without the express written consent of the GRANTOR.

XXIV

PERSONAL LIABILITY AND RISK OF LOSS
OF OWNER OF UNIT AND SEPARATE
INSURANCE COVERAGE, ETC

The Owner of each UNIT may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings personal effects and other personal property belonging to such Owner and may, at his own expense and option, obtain insurance coverage against personal liability for injury to the person or property of another while within such Owner's UNIT or upon the COMMON ELEMENTS All such insurance obtained by the Owner of each UNIT shall, wherever such provision shall be available provide that the insurer waives its right of subrogation as to any claims against other Owners of UNITS the ASSOCIATION and the respective servants agents and guests of said other Owners and the ASSOCIATION and such other insurance coverage may be obtained from the insurance company from which the ASSOCIATION obtains coverage against the same risk, liability or peril, if the ASSOCIATION has such coverage and if it is available Risk of loss of or damage to any furniture, furnishings personal effects and other personal property (other than such furniture, furnishings and personal property constituting a portion of the COMMON ELEMENTS)

belonging to or carried on the person of the Owner of each UNIT or which may be stored in any UNIT or in, to or upon COMMON ELEMENTS shall be borne by the Owner of each such UNIT All furniture, furnishings and personal property constituting a portion of the COMMON ELEMENTS and held for the joint use and benefit of all Owners of all UNITS shall be covered by such insurance as shall be maintained in force and effect by the ASSOCIATION as hereinafter provided The Owner of a UNIT shall have no personal liability for any damages caused by the ASSOCIATION, any Owner or otherwise in connection with the use of the COMMON ELEMENTS The Owner of a UNIT shall be liable for injuries or damage resulting from an accident in his own UNIT to the same extent and degree that the Owner of a house would be liable for an accident occurring within the house

XXV

INSURANCE COVERAGE TO BE MAINTAINED BY THE ASSOCIATION
INSURANCE TRUSTEE APPOINTMENT AND DUTIES
APPROVAL OF INSURERS BY INSTITUTIONAL LENDER,
USE AND DISTRIBUTION OF INSURANCE PROCEEDS, ETC.

The following insurance coverage shall be maintained in full force and effect by the ASSOCIATION covering the operation and management of the CONDOMINIUM and the said CONDOMINIUM, meaning the UNITS and COMMON ELEMENTS, to-wit:

A. Casualty insurance covering all of the UNITS and COMMON ELEMENTS, in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carrier, such coverage to afford protection against (i) loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsements and (ii) such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings similar in construction, location and use to the CONDOMINIUM, including but not limited to vandalism, malicious mischief, windstorm wind driven rain damage, water damage and war risk insurance, if available

B Public liability and property damage insurance in such amounts and in such form as shall be required by the ASSOCIATION to protect the ASSOCIATION and the Owners of all UNITS including but not limited to, water damage, legal liability hired automobile nonowned automobile and off premises employee coverage

C Worker's Compensation insurance to meet the requirements of law

D Director s and Officer's liability coverage providing coverage for the Directors and Officers of the ASSOCIATION

E Fidelity bond coverage shall be maintained for any agents of the Association and for the Management Agent

F Such other insurance coverage other than title insurance as the Board of Directors of the ASSOCIATION in its sole discretion may determine from time to time to be in the best interest of the ASSOCIATION and the Owners of all of the UNITS

All liability insurance maintained by the ASSOCIATION shall contain cross liability endorsements to cover liability of all Owners of UNITS as a group as to each UNIT Owner

Although pursuant to the foregoing the insurance carrier for the ASSOCIATION shall determine annually the maximum insurance replacement value of the UNITS and COMMON ELEMENTS it shall be the duty of the Board of Directors of ASSOCIATION to conduct a review of the insurance coverages maintained by ASSOCIATION to determine the adequacy thereof not less than once every three (3) years to increase the amount of any such insurance deemed inadequate. Upon such review a report shall be presented to ASSOCIATION at the annual meeting next following the completion of such review summarizing the findings of the Board of Directors of ASSOCIATION

All insurance coverage authorized to be purchased shall be purchased by the ASSOCIATION for itself and for the benefit of all of the Owners of all UNITS The cost of obtaining the insurance coverage authorized above is declared to be a common expense, as are all other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof

All policies of casualty insurance covering the CONDOMINIUM shall provide for the insurance proceeds covering any loss to be payable to the Insurance Trustee named as hereinafter provided, or to its successor and the insurance proceeds from any casualty loss shall be held for the use and benefit of the ASSOCIATION and all of the Owners of all UNITS and their respective mortgagees, as their interests may appear and such insurance proceeds shall be applied or distributed in the manner herein provided The ASSOCIATION is hereby declared to be Insurance Trustee" acting by and through the Board of Directors of the ASSOCIATION and is appointed as authorized agent for all of the Owners of all UNITS for the purpose of negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance, and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property

The ASSOCIATION shall have the right to delegate the duties of the Insurance Trustee to some other party and all parties beneficially interested in such insurance coverage shall be bound by said delegation

The Insurance Trustee shall not be liable for the payment of premiums for the renewal of any policy or policies of casualty insurance for the sufficiency of coverage for the form or content of the policies or for the failure to collect any insurance proceeds

The sole duty of the Insurance Trustee shall be to receive such proceeds of casualty insurance as are paid and to hold same in trust for the purposes herein stated, and for the benefit of the ASSOCIATION and the Owners of all UNITS and their respective mortgagees, such insurance proceeds to be disbursed and paid by the Insurance Trustee as hereinafter provided. The ASSOCIATION, as a common expense, may pay a reasonable fee to said Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as said Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder Said Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence and then for only such money which comes into the possession of said Insurance Trustee Wherever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of UNITS and their mortgagees, as their respective interests may appear the Insurance Trustee may rely upon a Certificate of the President and Secretary of the ASSOCIATION executed under oath, and which Certificate will be provided to said Insurance Trustee upon request of said Insurance Trustee made to the ASSOCIATION such Certificate to certify unto said Insurance Trustee the name or names of the Owners of each UNIT the name or names of the mortgagee or mortgagees who may hold a mortgage or mortgages encumbering each UNIT, and the respective percentages of any distribution which may be required to be made to the Owner or Owners of any UNIT or UNITS and his or their respective mortgagee or mortgagees as their respective interests may appear Where any insurance proceeds are paid to the Insurance Trustee for any casualty loss, the holder or holders of any mortgage or mortgages encumbering a UNIT shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage and shall not have the right to elect to apply insurance proceeds to the reduction of any mortgage or mortgages, unless such insurance proceeds represent a distribution to the Owner or Owners of any UNIT or UNITS and their respective mortgagees, after such insurance proceeds have been first applied to repair replacement or reconstruction of any loss or damage or unless such casualty insurance proceeds are authorized to be distributed to the Owner or Owners of any UNIT or UNITS, and their respective mortgagee or mortgagees, by reason of loss of or damage to personal property constituting a part of COMMON ELEMENTS and as to which a determination is made not to repair replace or restore such personal property So long as any lender shall have the right to approve the company or companies with whom said casualty insurance coverage is placed, such lender shall also have the right to approve the amount of such insurance coverage to be maintained

In the event of the loss of or damage to COMMON ELEMENTS and/or UNITS real or personal which loss or damage is covered by the casualty insurance, the proceeds paid to the Insurance Trustee to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such COMMON ELEMENTS then such excess insurance proceeds shall be paid by the Insurance Trustee into the reserve fund as described in Article XXVIII Section E If it appears that the insurance proceeds covering the casualty loss or damage payable to the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the ASSOCIATION shall deposit with the Insurance Trustee a sum which, together with the insurance proceeds received or to be received, will enable said Insurance Trustee to completely pay for the repair replacement

or reconstruction of any loss or damage as the case may be The monies to be deposited by the ASSOCIATION with the Insurance Trustee in said latter event, may be paid by the ASSOCIATION out of its Reserve for Replacements Fund and if the amount in such Reserve for Replacements Fund is not sufficient then the ASSOCIATION shall levy and collect an assessment against all Owners and their UNITS in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

In the event of loss of or damage to property covered by such casualty insurance, the ASSOCIATION shall within sixty (60) days after any such occurrence obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before such loss or damage such estimates to contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors of the ASSOCIATION may deem to be in the best interest of the membership of the ASSOCIATION Wherever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of the repair, replacement or reconstruction thereof, the additional monies required to completely pay for such repair, replacement or reconstruction of said loss or damage shall be deposited with said Insurance Trustee not later than thirty (30) days from the date on which said Insurance Trustee shall receive the monies payable under the policy or policies of casualty insurance

In the event of the loss of or damage to personal property belonging to the ASSOCIATION, the insurance proceeds when received by the Insurance Trustee shall be paid to the ASSOCIATION In the event of the loss of or damage to personal property constituting a portion of the COMMON ELEMENTS, and should the Board of Directors of the ASSOCIATION determine not to replace such personal property as may be lost or damaged then the insurance proceeds received by the Insurance Trustee shall be paid to ASSOCIATION

XXVI

APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED AGAINST THE CONDOMINIUM AS A WHOLE

In the event that any taxing authority having jurisdiction over the CONDOMINIUM shall levy or assess any tax or special assessment against the CONDOMINIUM, as a whole, as opposed to levying and assessing such tax or special assessment against each UNIT and its appurtenant undivided interest in COMMON ELEMENTS as now provided by law then such tax or special assessment so levied shall be paid as a common expense by the ASSOCIATION, and any taxes or special assessments which are to be so levied shall be included, wherever possible in the estimated annual budget of the ASSOCIATION, or shall be separately levied and collected as an assessment by the ASSOCIATION against all of the Owners of all UNITS and said UNITS if not included in said annual budget. The amount of any tax or special assessment paid or to be paid by the ASSOCIATION in the event that such tax or special assessment is levied against the CONDOMINIUM as a whole instead of against each separate UNIT and its appurtenant undivided

interest in COMMON ELEMENTS shall be apportioned among the Owners of all UNITS so that the amount of such tax or special assessment so paid or to be paid by the ASSOCIATION and attributable to and to be paid by the Owner or Owners of each UNIT shall be that portion of such total tax or special assessment which bears the same ratio to said total tax or special assessment as the undivided interest in COMMON ELEMENTS appurtenant to each UNIT bears to the total undivided interest in COMMON ELEMENTS appurtenant to all UNITS In the event that any tax or special assessment shall be levied against the CONDOMINIUM in its entirety, without apportionment by the taxing authority to the UNITS and appurtenant undivided interests in COMMON ELEMENTS then the assessment by the ASSOCIATION which shall include the proportionate share of such tax or special assessment attributable to each UNIT and its appurtenant undivided interest in COMMON ELEMENTS, shall separately specify and identify the amount of such assessment attributable to such tax or special assessments, and the amount of such tax or special assessment so designated shall be and constitute a lien prior to all mortgages and encumbrances upon any UNIT and its appurtenant undivided interest in COMMON ELEMENTS regardless of the date of the attachment and/or recording of such mortgage or encumbrance, to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each UNIT and its appurtenant undivided interest in COMMON ELEMENTS

All personal property taxes levied or assessed against personal property owned by the ASSOCIATION shall be paid by the ASSOCIATION and shall be included as a common expense in the Annual Budget of the ASSOCIATION

XXVII

THE ASSOCIATION TO MAINTAIN REGISTRY
OF OWNERS

The ASSOCIATION shall at all times maintain a register setting forth the names of the Owners of all of the UNITS, and in the event of the sale or transfer of any UNIT to a third party the purchaser or transferee shall notify the ASSOCIATION in writing of his interest in such UNIT together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any UNIT

XXVIII

ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

The ASSOCIATION is given the authority to administer the operation and management of the CONDOMINIUM, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all UNITS To properly administer the operation and management of the CONDOMINIUM the ASSOCIATION will incur, for the mutual benefit of all of the Owners of UNITS costs and expenses which will be continuing or nonrecurring costs as the case may be which costs and expenses are sometimes herein referred to as common expense To provide the

funds necessary for such proper operation and management, the ASSOCIATION heretofore has been granted the right to make, levy and collect assessments against the Owners of all UNITS and said UNITS In furtherance of said grant of authority to the ASSOCIATION to make levy and collect assessments to pay the costs and expenses for the operation and management of the CONDOMINIUM the following provisions shall be operative and binding upon the Owners of all UNITS, to-wit.

A All assessments levied against the Owners of UNITS and said UNITS including the ASSOCIATION should it own any UNIT shall be uniform and, unless specifically otherwise provided for in this Master Deed the assessments made by the ASSOCIATION shall be in such proportion that the amount of assessment levied against each Owner of a UNIT and his UNIT shall bear the same ratio to the total assessment made against all Owners of UNITS and their UNITS as does the undivided interest in COMMON ELEMENTS appurtenant to each UNIT bear to the total undivided interest in COMMON ELEMENTS appurtenant to all UNITS

B The assessment levied against the Owner of each UNIT and his UNIT shall be payable in annual quarterly or monthly installments or in such other installments and at such times as may be determined by the Board of Directors of the ASSOCIATION

C. The Board of Directors of the ASSOCIATION shall establish an annual budget in advance for each fiscal year which shall correspond to the calendar year, and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the CONDOMINIUM including a reasonable allowance for contingencies and reserves (as hereinafter provided) such budget to take into account projected anticipated income which is to be applied in reduction of the amount required to be collected as an assessment each year Upon adoption of such annual budget by the Board of Directors of the ASSOCIATION, copies of said budget shall be delivered to each Owner of a UNIT and the assessment for said year shall be established based upon such budget, although the delivery (or non-delivery) of a copy of said budget to each Owner shall not affect the liability of any Owner for such assessment. Should the Board of Directors at any time determine in the sole discretion of said Board of Directors, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the CONDOMINIUM or in the event of emergencies said Board of Directors shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary

D Upon the initial sale of each UNIT by the GRANTOR, each Owner purchasing such UNIT from the GRANTOR shall pay over to the ASSOCIATION the amount of $250 00 which shall not be a prepaid assessment but shall constitute a separate initial capital contribution to provide initial operating funds

E The Board of Directors of the ASSOCIATION, in establishing said annual budget for the operation, management and maintenance of the CONDOMINIUM shall include therein a sum to be collected and maintained as a reserve fund for replacement of COMMON ELEMENTS which reserve fund shall be for the purpose of enabling the ASSOCIATION to replace and/or conduct major repairs upon, structural elements and mechanical equipment constituting a part of the COMMON ELEMENTS as well as the replacement of personal property and amenities which may constitute a portion of the COMMON ELEMENTS held for the joint use and benefit of all of the Owners of all UNITS The amount to be allocated to such reserve fund for replacements shall be established by said Board of Directors so as to accrue and maintain at all times a sum necessary for replacement and/or major repair of said COMMON ELEMENTS based on the anticipated useful life of each portion of the COMMON ELEMENTS as provided in the Maintenance Schedule. Additions to such reserves must be established in an amount at least adequate to fund all repairs, replacements and maintenance in accordance with the Maintenance Schedule The amount collected and allocated to the reserve fund for replacements from time to time shall be maintained in a separate account by the ASSOCIATION No monies in such reserve fund for replacements shall be used to meet other needs or requirements of the ASSOCIATION in operating or managing the CONDOMINIUM or for normal regular maintenance of the COMMON ELEMENTS except upon the affirmative vote of at least 75% of the Board of Directors of the ASSOCIATION In the event that the Board of Directors should authorize the use of any portion of the funds constituting reserve funds other than the uses specifically provided for in this Section XXVIII(E) it must thereafter levy a special assessment for the replenishment of such reserve funds within 90 days after the use of such reserve funds. The provisions of this Section shall not be amended without the express written consent of the GRANTOR.

F The Board of Directors of the ASSOCIATION in establishing said annual budget for operation, management and maintenance of the CONDOMINIUM, shall not establish reserve funds for unspecified purposes.

G In addition to any other reserves provided for in this Master Deed, the Board of Directors of the ASSOCIATION in establishing the annual budget of the ASSOCIATION, shall include therein a reasonable sum to be collected and maintained to be used to meet any deductibles which may be provided for in policies of hazard insurance maintained by the ASSOCIATION Any excess funds in such reserve fund may be transferred to the capital contribution fund Any reserve so established shall not be used for any purpose other than meeting such insurance deductible(s) except as follows In the event of an accumulation of excess funds in the reserve fund established pursuant to this Section (in the determination of the Board of Directors of the Association) such excess funds may be transferred only to the reserve fund established pursuant to Section E of this Article

H All monies collected by the ASSOCIATION shall be treated as the separate property of the ASSOCIATION, and such monies may be applied by the ASSOCIATION to the payment of any expense of operating and managing the CONDOMINIUM, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Master Deed and the Articles of Incorporation and By Laws of the ASSOCIATION and as the monies for any assessment are paid to the ASSOCIATION by any Owner of a UNIT the same may be commingled with the monies paid to the ASSOCIATION by the other Owners of UNITS Although all funds and other assets of the ASSOCIATION and any increments thereto or profits derived therefrom or from the leasing or use of COMMON ELEMENTS shall be held for the benefit of the members of the ASSOCIATION, no member of the ASSOCIATION shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his UNIT

I The payment of any assessment or installment thereof due to the ASSOCIATION shall be in default if such assessment, or any installment thereof, is not paid to the ASSOCIATION on or before the due date for such payment. When in default, the Board of Directors may accelerate the remaining installments of the annual assessment upon notice thereof to the UNIT Owner, whereupon the entire unpaid balance of the annual assessment shall become due upon the date stated in the notice which shall not be less than ten (10) days after the date of the notice In the event any assessment, installment, or accelerated installment is not paid within twenty (20) days after its due date the ASSOCIATION through its Board of Directors, may proceed to enforce and collect the assessment against the UNIT Owner owing the same in any manner provided for by the Act, including the rights of foreclosure and sale When in default, the delinquent assessment or delinquent installment thereof due to the ASSOCIATION shall bear interest at the rate of 18% per annum until such delinquent assessment or installment thereof, and all interest due thereon have been paid to the ASSOCIATION Further a late fee of $25 00 shall be assessed for each installment not paid within 30 days after the due date thereof.

J The Owner or Owners of each UNIT shall be personally liable to the ASSOCIATION for the payment of all assessments regular or special which may be levied by the ASSOCIATION while such person or persons is or are Owner or Owners of a UNIT in the CONDOMINIUM. In the event that any Owner or Owners are in default in payment of any assessment or installment thereof owed to the ASSOCIATION such Owner or Owners of any UNIT shall be personally liable for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

K In addition to all of the foregoing each Owner of a UNIT at the time of the original conveyance of the UNIT from the Grantor shall pay to ASSOCIATION an advance

assessment for insurance maintained by the Association in an amount to be determined by ASSOCIATION'S Board of Directors in its reasonable discretion, and such determination shall be deemed final.

L. No Owner of a UNIT may exempt himself from liability for any assessment levied against such Owner and his UNIT by waiver of the use or enjoyment of any of the COMMON ELEMENTS, or by abandonment of the UNIT or in any other manner.

M. Recognizing that the necessity for providing proper operation and management of the CONDOMINIUM entails the continuing payment of costs and expenses therefor, which results in benefit to all of the Owners of UNITS, and that the payment of such common expense represented by the assessments levied and collected by the ASSOCIATION is necessary in order to preserve and protect the investment of the Owner of each UNIT the ASSOCIATION is hereby granted a lien upon such UNIT and its appurtenant undivided interest in COMMON ELEMENTS which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the Owner of each UNIT, which lien shall also secure interest and late fees, if any which may be due on the amount of any delinquent assessments owing to the ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the ASSOCIATION in enforcing the lien upon said UNIT and its appurtenant undivided interest in the COMMON ELEMENTS. The lien granted to the ASSOCIATION may be foreclosed in the same manner as mortgages may be foreclosed in the State of South Carolina, and in any suit for the foreclosure of said lien, the ASSOCIATION shall be entitled to rental from the Owner of any UNIT from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for said UNIT. The rental required to be paid shall be equal to the rental charged on comparable types of UNITS along the Grand Strand of South Carolina. The lien granted to the ASSOCIATION shall further secure such advances for taxes, and payments on account of superior mortgages, liens, or encumbrances which may be required to be advanced by the ASSOCIATION in order to preserve and protect its lien, and the ASSOCIATION shall further be entitled to interest at the legal rate as set out hereinbefore on any such advances made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any UNIT, or who may be given or acquire a mortgage, lien or other encumbrance thereon, is hereby placed on notice of the lien granted to the ASSOCIATION and shall acquire such interest in any UNIT expressly subject to such lien.

N. The lien herein granted to the ASSOCIATION shall be effective from and after the time of recording in the Public Records of Horry County South Carolina, a claim of lien stating the description of the UNIT encumbered thereby the name of the record Owner the amount due and the date when due, and the lien shall continue in effect

until all sums secured by said lien as herein provided shall have been fully paid Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, late fees, costs, attorney s fees, advances to pay taxes and prior encumbrances and interest thereon all as above provided Such claims of lien shall be signed and verified by an officer or agent of the ASSOCIATION Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The claim of lien filed by the ASSOCIATION shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording of the ASSOCIATION'S Claim of Lien

In the event that any person, firm or corporation shall acquire title to any UNIT and its appurtenant undivided interest in COMMON ELEMENTS by virtue of any foreclosure or judicial sale such person, firm or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for said UNIT and its appurtenant undivided interest in COMMON ELEMENTS subsequent to the date of acquisition of such title and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title subject to the lien of any assessment by the ASSOCIATION representing an apportionment of taxes or special assessments levied by taxing authorities against the CONDOMINIUM in its entirety In the event of the acquisition of title to a UNIT by foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all UNITS as a part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure

O Whenever any UNIT may be sold or mortgaged by the Owner thereof which sale shall be concluded only upon compliance with other provisions of this Master Deed, the ASSOCIATION upon written request of the Owner of such UNIT shall furnish to the proposed purchaser or mortgagee a statement verifying the status of payment of any assessment which shall be due and payable to the ASSOCIATION by the Owner of such UNIT Such statement shall be executed by any officer or agent of the ASSOCIATION and any purchaser or mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction, and the ASSOCIATION shall be bound by such statement. In the event that a UNIT is to be sold or mortgaged at the time when payment of any assessment against the Owner of said UNIT and such UNIT due to the ASSOCIATION shall be in default (whether or not a claim of lien has been recorded by the ASSOCIATION) then the proceeds of such purchase or mortgage proceeds shall be applied by the purchaser or mortgagee first to payment of any then delinquent assessment or installment thereof due to the ASSOCIATION before the payment of any proceeds of purchase or

mortgage proceeds to the Owner of any UNIT who is responsible for payment of such delinquent assessment

In any voluntary conveyance of a UNIT the Grantee shall be jointly and severally liable with the GRANTOR for all unpaid assessments against GRANTOR made prior to the time of such voluntary conveyance, without prejudice to the rights of the Grantee to recover from the GRANTOR the amounts paid by the Grantee therefor

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the ASSOCIATION which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure proceeding by foreclosure to attempt to effect such collection shall not be deemed to be an election precluding the institution of suit at law to attempt to effect collection of any sums then remaining owing to it

Notwithstanding anything in this Master Deed to the contrary it is declared that until the expiration of one (1) month after the date of recordation of this Master Deed, each UNIT in Phase I shall be exempt from the assessment created herein until such time as the UNIT is conveyed by the GRANTOR to a Grantee and that the GRANTOR shall be assessed and pay to the ASSOCIATION in lieu of such assessment a sum equal to the amount of actual operating expenses for the period of such assessment less an amount equal to the total assessments made by the ASSOCIATION against Owners of UNITS other than those owned by GRANTOR for such period Commencing upon the expiration of one (1) month after the recordation of this Master Deed, the GRANTOR shall be subject to assessments as provided for in this Master Deed so that it will pay assessments on the same basis provided for under this Master Deed for other UNIT Owners. GRANTOR reserves the right in future Phases for a period not to exceed one (1) month after recordation of the amendment adding each such Phase, to contribute in lieu of normal assessments the actual operation expenses attributable to the UNITS in each Phase less the amount of total assessments made by ASSOCIATION against Owners of UNITS other than those owned by GRANTOR. Notwithstanding the foregoing, GRANTOR may elect to pay assessments on unsold UNITS in the same manner as other Owners in lieu of paying the operating deficit as provided above

XXIX.

TERMINATION

This Master Deed and said plan of CONDOMINIUM ownership may only be terminated by the unanimous consent of all of the Owners of all UNITS and all of the parties holding mortgages liens or other encumbrances against any of said UNITS in which event the termination of the CONDOMINIUM shall be by such plan as may be then adopted by said Owners and persons holding

any mortgages, liens or other encumbrances Such election to terminate this Master Deed and the plan of CONDOMINIUM ownership established herein shall be executed in writing by all of the aforenamed persons and such instrument or instruments shall be recorded in the Public Records of Horry County South Carolina.

XXX

AMENDMENT OF MASTER DEED

Except for any alteration in the percentage of ownership in COMMON ELEMENTS appurtenant to each UNIT or alteration of the basis for apportionment of assessments which may be levied by the ASSOCIATION in accordance with the provisions hereof in which said instances consent of all of the Owners of all UNITS and their respective mortgagees shall be required and except for any alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of GRANTOR, and the Lender which said rights and privileges granted and reserved unto the said GRANTOR and the Lender shall only be altered amended or modified with the respective express written consent of the said GRANTOR or Lender as the case may be, this Master Deed may be amended in the following manner

An amendment or amendments to this Master Deed may be proposed by the Board of Directors of the ASSOCIATION acting upon a vote of the majority of the Directors, or by the members of the ASSOCIATION owning a majority of the UNITS in the CONDOMINIUM whether meeting as members or by instrument in writing signed by them Upon any amendment or amendments to the Master Deed being proposed by said Board of Directors or members such proposed amendment or amendments shall be transmitted to the President or Secretary of the ASSOCIATION, in the absence of the President, who shall thereupon call a Special Meeting of the members of the ASSOCIATION for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the Proposed amendment or amendments and it shall be the duty of the Secretary to give to each member written or printed notice of such Special Meeting stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his postal address as it appears on the records of the ASSOCIATION the postage thereon prepaid. Any member may by written waiver of notice signed by such member, waive such notice and such waiver when filed in the records of the ASSOCIATION, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member At such meeting, the amendment or amendments proposed must be approved by an affirmative vote of sixty seven (67%) percent of the members owning a UNIT in the CONDOMINIUM in order for such amendment or amendments to become effective Thereupon such amendment or amendments of this Master Deed shall be transcribed and certified by the President and Secretary of the ASSOCIATION as having been duly adopted, and the original or an executed copy of such amendment or amendments so certified and executed with the same formalities as a deed shall be recorded in the Public Records of Horry County, South Carolina,

within thirty (30) days from the date on which the same became effective, such amendment or amendments to specifically refer to the recording data identifying the Master Deed Thereafter, a copy of said amendment or amendments in the form in which the same were placed of record by the officers of the ASSOCIATION shall be delivered to all of the Owners of all UNITS and mailed to the mortgagees listed in the registry required to be maintained by Article XXVI hereof but delivery and mailing of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments the written vote of any member of the ASSOCIATION shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy provided such written vote is delivered to the Secretary of the ASSOCIATION at or prior to such meeting Furthermore, no amendment to this Master Deed shall be adopted which would operate to affect the validity or priority of any mortgage held by a mortgagee or which would alter amend or modify in any manner whatsoever the rights powers and privileges granted and/or reserved herein in favor of any mortgagee or in favor of GRANTOR without the consent or all such mortgagees or GRANTOR as the case may be Notwithstanding anything contained herein the GRANTOR, its successors or assigns may, without the consent of the UNIT Owners or MORTGAGEES at any time prior to twenty (20) years from the date of filing of this Master Deed amend this Master Deed in the manner set forth in Article III so as to subject any additional Phase(s) to the provisions of this Master Deed and the Horizontal Property Act of South Carolina so as to make such additional Phase(s) an integral part of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime Any such amendment shall, together with this Master Deed, contain all of the particulars required by the said Horizontal Property Regime Act of South Carolina and from and after the recording of any such amendment, the Riverwalk at Arrowhead Golf Club Horizontal Property Regime shall include the Phase then being submitted as well as all Phases previously submitted. The UNITS in future Phases are to be of similar design as those UNITS in Phase I except as more particularly provided in Exhibit "C" hereto The designation of each UNIT number and its proportionate interest in the COMMON ELEMENTS is set forth in Exhibit C which is attached hereto and made a part and parcel hereof It is not contemplated that submission of additional Phase(s) will substantially increase the proportionate amount of the common expenses payable by existing UNIT Owners

The GRANTOR further reserves the right to make changes or amendments in this Master Deed, without the consent of any UNIT Owners or their mortgagees to correct typographical, scrivener's or similar errors or to make a change required by an institutional lender provided that any such correction or amendment shall not adversely affect the proportionate interest of any Owner or Owners in the COMMON ELEMENTS Such change or amendment may be made by the recording of an appropriate document in the Office of the Register Mesne Conveyance for Horry County executed by the GRANTOR

XXXI

REMEDIES IN EVENT OF DEFAULT

The Owner or Owners of each UNIT shall be governed by and shall comply with the provisions of this Master Deed and the Articles of Incorporation and the By Laws of the ASSOCIATION and its rules and regulations as any of the same are now constituted or as they may be adopted and/or amended from time to time A default by the Owner or Owners of any UNIT shall entitle the ASSOCIATION or the Owner or Owners of other UNIT or UNITS to the following relief

A Failure to comply with any of the terms of this Master Deed or other restrictions and regulations contained in the Articles of Incorporation, By-Laws of the ASSOCIATION or its rules and regulations shall be grounds for relief which may include without intending to limit the same an action to recover sums due for damages, injunctive relief foreclosure of lien or any combination thereof and which relief may be sought by the ASSOCIATION or if appropriate by an aggrieved Owner of a UNIT

B The Owner or Owners of each UNIT shall be liable for the expense of any maintenance repair or replacement rendered necessary by his or their act, neglect or carelessness, or by that of any member of his or their family, or his or their guests employees agents or lessees but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a UNIT or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation

C In any proceeding arising because of an alleged default by the Owner of any UNIT, the ASSOCIATION, if successful, shall be entitled to recover the costs of the proceedings, and such reasonable attorney's fees as may be determined by the Court.

D The failure of the ASSOCIATION or of the Owner of a UNIT to enforce any right, provision covenant, or condition which may be granted by this Master Deed or other above mentioned documents shall not constitute a waiver of the right of the ASSOCIATION or of the Owner of a UNIT to enforce such right, provision, covenant or condition in the future.

E All rights remedies and privileges granted to the ASSOCIATION or the Owner or Owners of a UNIT pursuant to any terms provisions, covenants or conditions of this Master Deed or other above mentioned documents shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies or to preclude the person thus exercising the same from exercising such

other and additional rights, remedies or privileges as may be available to such person at law or in equity

F The failure of the GRANTOR or the Lender to enforce any right, privilege covenant or condition which may be granted to them or either of them by this Master Deed or other above mentioned document shall not constitute waiver of the right of either of said parties to thereafter enforce such right, provision covenant or condition in the future

XXXII

USE OR ACQUISITION OF INTEREST IN THE CONDOMINIUM TO RENDER USER OR ACQUIRER SUBJECT TO PROVISIONS OF MASTER DEED, RULES AND REGULATIONS

All present or future Owners, tenants or other persons who use the facilities of the CONDOMINIUM in any manner are subject to the provisions of this Master Deed and all documents appurtenant hereto and incorporated herewith and the mere acquisition or rental of any UNIT or the mere act of occupancy of any UNIT shall signify that the provisions of this Master Deed are accepted and ratified in all respects

XXXIII

RIGHT OF GRANTOR TO SELL OR LEASE UNIT OWNED BY IT AND RIGHT OF GRANTOR TO REPRESENTATION ON BOARD OF DIRECTORS OF THE ASSOCIATION

So long as GRANTOR shall own any UNIT the said GRANTOR, shall have the absolute right to lease or sell any such UNIT to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interest. Further provided that GRANTOR has not terminated ' Class II" membership in the ASSOCIATION in accordance with the Articles of Incorporation and ByLaws of the ASSOCIATION or so long as any phase or phases of the CONDOMINIUM project have not been submitted to the CONDOMINIUM or GRANTOR, its successors or assigns is the Owner of Eight (8) or more UNITS, then GRANTOR, it successors and assigns, shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the ASSOCIATION Whenever GRANTOR shall be entitled to designate and select any person or persons to serve on any Board of Directors of the ASSOCIATION the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the ASSOCIATION and GRANTOR, shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed Any Director designated and selected by GRANTOR, need not be an Owner

of a UNIT The power of the GRANTOR to designate Directors as above referred to shall terminate no later than the 31st day of December 2009

Any representative of GRANTOR serving on the Board of Directors of the ASSOCIATION shall not be required to disqualify himself upon any vote upon any management contract or other matter between GRANTOR and the ASSOCIATION where the GRANTOR may have a pecuniary or other interest Similarly GRANTOR, as a member of the ASSOCIATION shall not be required to disqualify itself in any vote which may come before the membership of the ASSOCIATION upon any management contract or other matter between GRANTOR and the ASSOCIATION where GRANTOR may have a pecuniary or other interest

XXXIV

ANNUAL REPORTS TO BE PROVIDED TO LENDER

So long as any Lender selected by GRANTOR is the Owner or holder of a mortgage encumbering a UNIT in the CONDOMINIUM the ASSOCIATION shall furnish said Lender, upon such Lender's request, with at least one (1) copy of the Annual Financial Statement and Report of the ASSOCIATION audited and prepared by Certified Public Accountants satisfactory to Lender and setting forth such details as the said Lender may reasonably require including a detailed statement of annual carrying charges or income collected, and operating expenses such Financial Statement and Report to be furnished within ninety (90) days following the end of each fiscal year

XXXV

SEVERABILITY

In the event that any of the terms provisions or covenants of this Master Deed are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms provisions or covenants hereof or the remaining portions of any terms provisions or covenants held to be partially invalid or unenforceable

XXXVI

LIBERAL CONSTRUCTION AND ADOPTION
OF PROVISIONS OF CONDOMINIUM ACT

The provisions of this Master Deed shall be liberally construed to effectuate its purpose of creating a uniform plan of CONDOMINIUM ownership The South Carolina Horizontal Property Act, 1976 Code of Laws, as the same may be amended from time to time thereafter, is hereby adopted and expressly made a part hereof In the event of any conflict between the provisions of this Master Deed and the said South Carolina Horizontal Property Act of South Carolina, as the same may be

amended, the provisions of the Act shall take the place of any provisions in conflict with the Master Deed.

XXXVII

MASTER DEED
BINDING UPON GRANTOR ITS SUCCESSORS AND ASSIGNS,
AND SUBSEQUENT OWNERS

The restrictions and burdens imposed by the covenants of this Master Deed are intended to and shall constitute covenants running with the land and shall constitute an equitable servitude upon each UNIT and its appurtenant undivided interest in COMMON ELEMENTS and this Master Deed shall be binding upon GRANTOR, its successors and assigns, and upon all parties who may subsequently become Owners of UNITS in the CONDOMINIUM and their respective heirs, legal representatives successors and assigns

XXXVIII.

DEFINITIONS

A The term ' UNIT" or "UNITS shall be synonymous with the term "Apartment" or Apartments as those terms are used under the Horizontal Property Act of the 1976 Code of Laws of South Carolina, as amended. UNIT herein may also be described as "Villas" or "Dwellings" and shall include both Residential UNITS and Garage UNITS as defined in Article IV of this Master Deed.

B "Building" means a structure containing in the aggregate two or more UNITS comprising a part of the CONDOMINIUM

C "Co owner" or "Owner" means a person, firm, corporation, partnership association, trust or other legal entity or any combination thereof, who owns a UNIT within a Building

D "Assessment" means a UNIT Owner's pro rata share of the common expenses which from time to time is assessed against a UNIT Owner by the ASSOCIATION

E "Association" means council of co-owners as defined by the Horizontal Property Act and also means the Riverwalk at Arrowhead Country Club Property Owners' Association, Inc the corporate form by which the council of co-owners shall operate the Riverwalk at Arrowhead Golf Club Horizontal Property Regime

F Common Expense" means the expenses for which the UNIT Owners are liable to the ASSOCIATION and include

1 Expenses of administration management, maintenance insurance operation, repair or replacement of the COMMON ELEMENTS and of the portions of UNITS which are the responsibility of the ASSOCIATION

2 Expenses declared common expenses by provisions of this Master Deed,

3 Any valid charges against the CONDOMINIUM as a whole

G "Common Surplus" means the excess of or receipts of the ASSOCIATION, including, but not limited to assessments over the amount of common expenses

H "Condominium" refers to the Riverwalk at Arrowhead Golf Club Horizontal Property Regime and means the form of individual ownership of a particular UNIT in a Building together with the common right to a share with other co-owners in the general COMMON ELEMENTS

I Common Elements means and includes the elements described in the Horizontal Property Regime Act and in this Master Deed (including Exhibits) as COMMON ELEMENTS" and also the following.

1 Easements through apartments for conduits ducts plumbing chimneys, wiring and other facilities for the furnishing of utility services to UNITS and the general COMMON ELEMENTS provided, however, such easements through a UNIT shall be only according to the plans and specifications for the Building or as the Building is constructed unless otherwise approved in writing by the UNIT Owner

2. An easement of support in every portion of an UNIT which contributes to the support of a Building

3 Easements through the UNITS and general COMMON ELEMENTS for maintenance repair and replacement of the UNITS and general COMMON ELEMENTS

4 Installations for the furnishing of utility services to more than one UNIT or to the general COMMON ELEMENTS or to a UNIT other than the one containing the installation, which installation shall include ducts, plumbing wiring and other facilities for the rendering of such services.

5 The tangible personal property required for the maintenance and operation of the CONDOMINIUM even though owned by the ASSOCIATION

J "Limited Common Elements" shall have the meaning attributed thereto in Article IV of this Master Deed

XXXIX

ARBITRATION

IN THE EVENT THAT A DISPUTE OR CLAIM SHALL ARISE WITH RESPECT TO ANY OF THE TERMS OR PROVISIONS OF THIS MASTER DEED OR A DISPUTE BETWEEN GRANTOR AND ANY ONE OR MORE UNIT OWNERS ALL DISPUTES OR CLAIMS SHALL BE RESOLVED IN ACCORDANCE WITH THE SOUTH CAROLINA UNIFORM ARBITRATION ACT UNDER S C CODE ANN §15-48-10 (A) ALL RESULTING AWARDS AND DETERMINATIONS MADE BY THE ARBITRATORS PURSUANT TO THE PROVISIONS OF THIS SECTION SHALL BE CONCLUSIVELY BINDING UPON ALL PARTIES HERETO AND JUDGEMENT MAY BE RENDERED THEREON

IN WITNESS WHEREOF Heritage Riverwalk, Inc , a South Carolina Corporation has caused these presents to be executed this 28th day of October, 1997

SIGNED SEALED AND DELIVERED
N THE PRESENCE OF

Heritage Riverwalk, Inc.
A South Carolina Corporation

By _____
Jack L Green, Jr President

Attest _____
Roger H Van Wie, Secretary

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned notary who, after first being duly sworn, deposes and states that s/he saw the within named Heritage Riverwalk, Inc by and through its duly authorized officer(s), Sign, Seal and Deliver the within Master Deed, and that s/he with the other witness witnessed the execution thereof.

SWORN to before me this 28th
day of October, 1997

Notary Public for South Carolina
My Commission Expires 2-25-200[illegible]

EXHIBIT "A"
TO MASTER DEED FOR THE RIVERWALK AT ARROWHEAD GOLF CLUB
PROPERTY REGIME

ALL AND SINGULAR That certain piece, parcel or tract of land, together with improvements located thereon situate, lying and being in Horry County South Carolina, and being more particularly shown as "Phase 1" containing 0 77 acres, more or less, on a map or plat prepared by Robert L Bellamy and Associates, Inc dated October 18, 1997 prepared for Heritage Riverwalk, Inc which plat is recorded in Plat Book 151 at Page 68 records of Horry County, South Carolina, reference to which is craved as forming a part of these presents

TOGETHER WITH a non-exclusive easement for ingress and egress, as well as for installation of utilities and drainage over and across that portion of "Riverwalk Drive" and "Lantern's Rest Road , as shown on a map prepared for Heritage Riverwalk, Inc dated May 29 1997 and recorded in Deed Book 148 at Page 186, reference to which is craved as forming a part of these presents in accordance with that certain Easement Agreement from Pine Island Land Investors a South Carolina General Partnership to Heritage Riverwalk, Inc dated June 25, 1997 and recorded June 26, 1997 in Deed Book 1953 at Page 593 records of Horry County, South Carolina.

The GRANTOR herein reserves unto itself, its successors and assigns a non-exclusive easement for ingress and egress, as well as for installation of utilities and drainage over and across the property described above.

A

EXHIBIT "B"
TO
MASTER DEED

NOTE Exhibit B is a survey prepared by Robert L Bellamy and Associates Inc Consulting Engineers Planners and Surveyors dated October 18 1997 (the "Survey") which shows the location of the Buildings and other improvements of Phase I and a set of floor plans for Building 1 ("Phase I) dated August 20, 1997, as revised, prepared by Pegram Associates, Inc (the aforesaid floor plans are referred to herein as the Plans") The Plans and Survey show graphically the dimensions area and location of each UNIT therein (which UNITS are all Residential UNITS) and the dimensions area and location of COMMON ELEMENTS and LIMITED COMMON ELEMENTS affording access to each UNIT Both the Survey and the Plans are recorded in Condominium Plat Book C at Page 570 records of Horry County South Carolina and are incorporated herein by this reference Said Exhibit further includes the following-

There is one building also identified as Building 1 containing twelve (12) Residential UNITS in Phase I Each UNIT is identified by a separate three (3) digit UNIT number on the Plans The Unit number as shown on the Plans is preceded by the numeral one (1) and a dash which designates the Building number for the purposes of this Master Deed. Each UNIT as shown on the Plans uses a typical floor plan. Units 1 101, 1 102, 1-103 and 1-104 are all located on the first floor of the Building as shown on the Plans Units 1 201, 1-202, 1 203 1 204 are all located on the second floor of the Building as shown on the Plans Units 1 301 1-302 1-303 and 1-304 are all located on the third floor of the Building, as shown on the Plans The Building is three levels in height and contains four (4) UNITS on each level Each UNIT is individually numbered using the Unit number identifier shown on Exhibit "C" to this Master Deed and shown on the Plans with the addition with the first digit one (1) and a dash.

As shown on the Plans each UNIT has an entrance door opening on to a balcony or walkway which balcony or walkway is a COMMON ELEMENT Access to the second and third levels of the Building is by way of two (2) sets of stairways, with one located on each end of the Building The stairways are COMMON ELEMENTS

Parking is provided in the parking area shown on the Survey within the property being submitted herewith as Phase I pursuant to the terms of this Master Deed The parking areas are also COMMON ELEMENTS

Each one (1) bedroom UNIT contains a great room a kitchen, a bedroom two (2) bathrooms a closet and a mechanical room as shown on the Plans Each two (2) bedroom UNIT contains a living area a dining area two bedrooms a kitchen and two bathrooms and closets a shown on the Plans

An exterior storage room is also a part of each two (2) bedroom UNIT, which storage room is accessed from the patio or deck immediately adjacent to the UNIT of which it is a part. In addition, the patios and decks, as shown on the Plans, are LIMITED COMMON ELEMENTS for the use and benefit of the UNIT from which such patio or deck is accessible and adjacent to

As to each UNIT All built in kitchen appliances, the refrigerator, heating and air conditioning units and condensers hot water heaters and bathroom fixtures located in each UNIT are a part of the UNIT in which they are located and are not COMMON ELEMENTS The air handling units which serve each UNIT are a part of the UNIT which it serves and are not COMMON ELEMENTS, notwithstanding that it is located outside of the UNIT

References to areas as COMMON ELEMENTS or common areas in this Exhibit shall be in addition to and read in conjunction with the further designation of COMMON ELEMENTS in other portions of this Master Deed and the Survey and Plans making up the balance of this Exhibit "B"

This Exhibit "B' shall be amended if any additional phase(s) shall become part of Riverwalk at Arrowhead Golf Club Horizontal Property Regime in accordance with the terms of this Master Deed.

C

PEGRAM ASSOCIATES
INC.
ARCHITECTS PLANNERS



RE Building 1, Riverwalk
Horizontal Property Regime
679 Riverwalk Drive
Myrtle Beach, South Carolina

J Thomas Pegram AIA
Dennis H. Springs AIA
David S. Glymph AIA
Kenneth N. Heit AIA

The attached plans by Pegram Associates, Inc of Myrtle Beach, S C consist of 3 sheets numbered and dated or revised as follows

A1 [8/18/97] (9 2 BR s/3 1-BR'S, #'s 101, 102, 103, 104
201, 202, 203 204
301, 302, 303 304)
A5 [8/18/97]
A6 [8/18/97]

The visible components of the completed building, comprising Building 1 of this project, appear to conform to the attached plans The floor plans show graphically the dimensions, area, and location of the proposed units, and the dimensions area and location of the proposed common elements affording access to each unit. Other proposed common elements, both limited and general are shown graphically insofar as possible In addition, the suggested number of each unit has been shown on the plans The undersigned is the "Architect of Record' on the subject building, but did not provide construction observation of the subject building, and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above

PEGRAM ASSOCIATES, INC

by _____

date 10/29/97

11318 48th Avenue N.
P O Drawer 7448
Dunes Station
Myrtle Beach, SC 29577
(803) 449-5202
Fax # (803) 497 2635

RIVERWALK AT ARROWHEAD GOLF CLUB HORIZONTAL PROPERTY REGIME

EXHIBIT "C"
TO
MASTER DEED

Schedule of percentage (%) of undivided interest in the COMMON ELEMENTS appurtenant to UNITS in the Riverwalk at Arrowhead Golf Club a condominium, including Phase I only Statutory Value is for statutory purposes only and has no relationship to the actual value of each UNIT

UNIT Number Phase I	Statutory Value	Percentage Interest (Phase I Only)
1-101	80 000 00	8 80088
1-102	63,000 00	6 93069
1-103	80 000 00	8 80088
1-104	80,000 00	8 80088
1-201	80 000 00	8 80088
1-202	63 000 00	6 93069
1 203	80 000 00	8 80088
1 204	80 000 00	8 80088
1 301	80,000 00	8 80088
1 302	63 000 00	6 93069
1-303	80,000 00	8 80088
1 304	80 000 00	8 80088
Total Statutory Value for Phase I	909,000 00	100 000% (rounded to nearest one thousandth)

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In addition up to Ninety Nine (99) more buildings may be added as Phases II through C or any of them As each Phase is added the total statutory value of all Phases submitted and constituting the Riverwalk at Arrowhead Golf Club Horizontal Property Regime at that time and the percentage interest of each UNIT therein may be determined using the formula hereinafter set forth. To determine the percentage interest of each UNIT utilize a formula with the statutory value of each UNIT set forth in the chart below as the numerator with the total statutory value of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime at that time (including the Phase being submitted and any Phases previously submitted) as the denominator The resulting fraction shall then be expressed as a percentage rounded to the nearest 00001 The statutory value of each building to be contained within Phases II through C or any of them, if constructed and submitted, shall be in accordance with the chart contained herein. The building number as referred to herein has no relationship to the Phase in which it will be contained, but is merely for identification.

In the event the GRANTOR elects, in accordance with the provisions of the Master Deed to which this Exhibit is attached, to proceed with the development of Phase II through Phase C or so many of said phases as it might elect, within the time provided in the Master Deed, the percentage of undivided interest appurtenant to each UNIT in Phase I and any Phase(s) previously submitted, as of the date of recording the amendment incorporating each additional Phase will automatically be the percentage to be set forth in a chart which GRANTOR must record as part of its election to construct and submit Phase II through C or so many of them as GRANTOR might elect. Such percentage interest shall be determined by the ratio of the statutory value of the individual UNIT as the same bears to the total statutory values of all UNITS within the Condominium Provided, however the assigned values to be reflected in the chart for UNITS in additional phases must be the values provided in the following schedule depending on the type of unit involved as follows

Type	Statutory Value
1 Bedroom Unit	$ 63 000 00
2 Bedroom Unit	$ 80 000 00
3 Bedroom Unit	$100 000 00
Garage Unit	$ 8,000 00

The GRANTOR may construct in Phase II and any subsequent phases through Phase C any combination of Garage UNITS or 1, 2, or 3 Bedroom Residential UNITS provided that GRANTOR at the time of recording its election specifies in the chart amending this Exhibit "C" the percentage of interest of each UNIT in Phase I and so many additional phases as might have at that time been incorporated hereunder using the values of the different UNITS assigned above. Each Phase shall consist of one Residential Building and related improvements with no less than nine (9) Residential UNITS and no more than fifteen (15) Residential UNITS in each Building and may also include from zero (0) to eight (8) Garage UNITS in a separate building

Each additional Phase shall have a minimum total statutory value based on the sum of all statutory values of all UNITS within that phase of FIVE HUNDRED SIXTY SEVEN THOUSAND AND NO/100 ($567 000 00) DOLLARS and a maximum total statutory value of all UNITS within that phase of ONE MILLION FIVE HUNDRED SIXTY FOUR THOUSAND AND NO/100 ($1,564,000 00) DOLLARS Therefore, the minimum and maximum percentage interest of each UNIT within Phase I at any time during the development and submission of additional phase(s) to the Riverwalk at Arrowhead Golf Club Horizontal Property Regime may be determined by use of the formula hereinafter provided.

The actual percentage interest of each UNIT may be computed in accordance with the following formula with the result obtained from such formula being then expressed as a percentage

Statutory Value of the UNIT		Percentage Interest of the UNIT
÷	=	(Expressed as a Percentage)
Total Statutory Value of all UNITS submitted to the Horizontal Property Regime		

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EXHIBIT D

ARTICLES OF INCORPORATION

OF

RIVERWALK AT ARROWHEAD COUNTRY CLUB PROPERTY OWNERS' ASSOCIATION, INC

The undersigned subscribers desiring to form a nonprofit corporation under South Carolina statutes as amended, hereby adopt the following Articles of Incorporation

ARTICLE I

NAME

The name of the corporation shall be Riverwalk at Arrowhead Country Club Property Owners' Association Inc which is hereinafter referred to as the Association"

ARTICLE II

PURPOSES AND POWERS

The purpose of the Association is to manage the affairs of the Riverwalk at Arrowhead Golf Club Horizontal Property Regime a Horizontal Property Regime established pursuant to the terms of the Master Deed therefor filed or to be filed in the Office of the RMC for Horry County South Carolina (the "Master Deed ')

The Association is not organized for profit and no part of the net earnings, if any, shall inure to the benefit of any member or individual person, firm or corporation.

The Association shall have all of the common law and statutory powers of a nonprofit corporation. The Association shall also have all of the powers necessary to implement the purposes of the Association and to provide for the general health and welfare of its membership

ARTICLE III

MEMBERS

Section 1. Membership Every person or entity who is a record Owner of a fee or undivided fee interest in any UNIT which is subject by the Master Deed to assessment by the Association shall be a member of the Association provided that any such person or entity who holds such interest merely as a security for the performance of an obligation shall not be a member

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Section 2 Voting Rights The Association shall have two (2) classes of voting membership

Class I. Class I members shall be all those Owners as defined in Article XIV in the Master Deed Class I members shall be entitled to one vote for each UNIT in which they hold the interest required for membership When more than one person holds such interest or interests in a UNIT, all such persons shall be members however they shall select one (1) member to vote, which such member shall be designated as the Voting Member" and shall be so designated in writing to the Secretary of the Association. In no event shall more than one (1) vote be cast with respect to any UNIT

Class II The sole Class II member shall be the GRANTOR. The Class II member shall be entitled to four (4) votes for each UNIT in which it holds the interest required for membership by Article XIV in the Master Deed provided that the Class II membership shall continue only so long as any phase of the Condominium Project has not been submitted to the Horizontal Property Regime, or GRANTOR, its successors or assigns, is the Owner of Eight (8) or more UNITS in the entire CONDOMINIUM GRANTOR reserves the right at any time to terminate Class II membership by filing an instrument in the records of the Clerk of Court of Horry County so doing and in any event the Class II membership shall terminate no later than December 31 2009

Section 3 Meetings of Members. The By-Laws of the Association shall provide for an annual meeting of the members, and may make provisions for regular and special meetings of the members other than the annual meeting A quorum for the transaction of business at any meeting of the members shall exist if fifty-one (51%) percent of the members shall be present. Action may be taken by majority vote of those members present at any meeting. So long as a quorum is present at the opening of the meeting business may be transacted until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum in attendance Further at any adjourned meeting at which a quorum is present at the reconvening of such meeting any business may be transacted which might have been transacted at the original meeting and notwithstanding the withdrawal of enough members to leave less than a quorum in attendance

Section 4 Principal Office The initial principal office of the Corporation shall be located at 1201 48th Avenue North, Myrtle Beach, South Carolina 29577 however the Corporation may maintain offices and transact business in such other places within or without the State of South Carolina as may from time to time be designated by the Board of Directors

ARTICLE IV

CORPORATE EXISTENCE

The Association shall have perpetual existence

ARTICLE V

BOARD OF DIRECTORS

Section 1 Management by Directors The property business and affairs of the Association shall be managed by a Board of Directors which shall consist initially of three (3) persons. The Board shall be increased thereafter to five (5) persons as provided in Article III of the By-Laws. A majority of the directors in office shall constitute a quorum for the transaction of business The By-Laws shall provide for meetings of directors, including an annual meeting

Section 2 Original Board of Directors. The names and addresses of the first Board of Directors of the Association who shall hold office until the first annual meeting of members until qualified successors are duly elected and have taken office shall be as follows

1	Roger H Van Wie	1201 48th Avenue North Myrtle Beach, SC 29577
2	Lynn M Andersen	1201 - 48th Avenue North Myrtle Beach, SC 29577
3	Miles E. Watson	1201-48th Avenue North Myrtle Beach, SC 29577

Section 3 Election of Members of Board of Directors Except for the first Board of Directors directors shall be elected by the Members as provided by the By-Laws of the Association The By-Laws may provide for the method of voting in the election and for removal from office of directors After GRANTOR gives up control of the Association, all directors shall be Owners of UNITS in the Riverwalk at Arrowhead Golf Club Horizontal Property Regime or shall be authorized representatives officers or employees of corporate members of the Association.

Section 4 Duration of Office. Members elected to the Board of Directors shall hold office for such periods of time as are set out in the By Laws_

Section 5 Vacancies. If a director elected by the general membership shall for any reason cease to be a director the remaining directors so elected may elect a successor to fill the vacancy for the balance of the unexpired term

ARTICLE VI

OFFICERS

Section 1 Officers Required The Association shall have a President, a Vice President a Secretary and a Treasurer, and such other officers as the Board of Directors may from time to time elect.

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Section 2 Election and Appointment of Officers. The officers of the Association, in accordance with any applicable provision of the By Laws shall be elected by the Board of Directors for terms of one year and until qualified successors are duly elected and have taken office. The By-Laws may provide for the method of voting in the election, for the removal from office of officers, for filling vacancies and for the duties of the officers The President, Vice President, Secretary and Treasurer shall be directors, other officers may or may not be directors of the Association If the office of President shall become vacant for any reason or if the President shall be unable or unavailable to act, the Vice President shall automatically succeed to the office or perform its duties and exercise its powers If any office other than that of the President shall become vacant for any reason, the Board of Directors may elect or appoint an individual to fill such vacancy

Section 3 First Officers The names and addresses of the first officers of the Association, who shall hold office until the first annual meeting of directors and until successors are duly elected and have taken office shall be as follows

Office	Name	Address
President	Roger H Van Wie	1201-48th Avenue North Myrtle Beach SC 29577
Vice President	Lynn M Andersen	1201-48th Avenue North Myrtle Beach, SC 29577
Secretary/ Treasurer	Miles E Watson	1201-48th Avenue North Myrtle Beach, SC 29577

ARTICLE VII

BY LAWS

The Board of Directors shall adopt By-Laws consistent with these Articles of Incorporation. Such By Laws may be altered, amended or repealed in the manner set forth in the By Laws

ARTICLE VIII

AMENDMENTS

Section 1 Amendments to these Articles of Incorporation shall be proposed and approved by the Board of Directors by majority vote

Section 2 In case of any conflict between these Articles of Incorporation and the By-Laws, these Articles shall control, and in case of any conflict between these Articles of Incorporation and

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the said Master Deed for the Riverwalk at Arrowhead Golf Club Horizontal Property Regime the said Master Deed shall control

ARTICLE IX

SUBSCRIBERS

The names and addresses of the subscribers to these Articles of Incorporation are

Roger H Van Wie — 1201 - 48th Avenue North
Myrtle Beach, SC 29577

ARTICLE X

INDEMNIFICATION

The Association shall indemnify any person who is made a party or is threatened to be made a party to any claim, suit, proceeding or liability by reason of the fact that he is or was a director, officer employee agent or representative of the Association to the fullest extent permitted by law, and the Association may advance expenses to any such person to the fullest extent permitted by law The Association shall also have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee agent or representative of the Association against any liability asserted against him in any such capacity

IN WITNESS WHEREOF the said subscribers have hereunto set their hands this 28th day of October 1997

Roger H Van Wie

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EXHIBIT "E"
BY-LAWS

OF

RIVERWALK AT ARROWHEAD COUNTRY CLUB PROPERTY OWNERS ASSOCIATION, INC

Article I

Name, Principal Office and Definitions

Section 1 Name The name of the Association shall be Riverwalk at Arrowhead Country Club Property Owners Association, Inc (hereinafter sometimes referred to as the "Association")

Section 2 Principal Office The principal office of the Association in the State of South Carolina shall be located in Myrtle Beach, County of Horry The Association may have such other offices, either within or without the State of South Carolina, as the Board of Directors may determine or as the affairs of the Association may require

Section 3 Definitions The words used in these By-Laws shall have the same meaning as set forth in the Master Deed for the Riverwalk at Arrowhead Country Club Horizontal Property Regime, as amended, renewed or extended from time to time, as hereinafter sometimes referred to as the 'Master Deed" unless the context shall prohibit

Article II
Association Membership, Meetings, Quorum, Voting, Proxies

Section 1 Membership The Association shall have two (2) classes of membership, Class I" and Class "II" as more fully set forth in the Articles of Incorporation, the terms of which pertaining to membership are specifically incorporated herein by reference

Section 2 Place of Meetings Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Voting Members as may be designated by the Board of Directors either within the properties or as convenient thereto as possible and practical

Section 3 Annual Meetings The first meeting of the membership whether a regular or special meeting, shall be held within ninety (90) days after the expiration of one (1) year from the date of incorporation of the Association. Subsequent regular annual meetings of the membership shall be held within thirty (30) days of the same day of the same month of each year thereafter at an hour set by the Board Subject to the foregoing the annual meeting shall be held at a date and time as set by the Board of Directors

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Section 4 Special Meetings The President may call special meetings In addition, it shall be the duty of the President to call a special meeting of the Association if so directed by resolution of a majority of a quorum of the Board of Directors or upon a petition signed by Voting Members representing at least thirty (30%) percent of the total votes of the Association The notice of any special meeting shall state the date, time and place of such meeting and the purpose thereof No business shall be transacted at a special meeting except as stated in the notice.

Section 5 Notice of Meetings Written or printed notice stating the place day and hour of any meeting of the Members shall be delivered either personally or by mail to each Voting Member entitled to vote at such meeting not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President or the Secretary and shall include an agenda of the meeting.

In the case of a special meeting or when required by statute or these By-Laws the purpose or purposes for which the meeting is called shall be stated in the notice No business shall be transacted at a special meeting except as stated in the notice

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Voting Member at his address as it appears on the records of the Association, with postage thereon prepaid.

Section 6 Waiver of Notice. Waiver of notice of a meeting of the Voting Members shall be deemed the equivalent of proper notice Any Voting Member may in writing waive notice of any meeting of the Voting Members either before or after such meeting. Attendance at a meeting by a Voting Member or alternate shall be deemed waiver by such Voting Member of notice of the time, date and place thereof, unless such Voting Member specifically objects to lack of proper notice at the time the meeting is called to order Attendance at a special meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to the calling or convening of the meeting of which proper notice was not given, is raised before the business is put to a vote

Section 7 Adjournment of Meetings If any meetings of the Association cannot be held because a quorum is not present, a majority of the Voting Members who are present at such meeting, either in person or by alternate, may adjourn the meeting to a time not more than thirty (30) days from the time the original meeting was called At the reconvened meeting if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted

Section 8 Voting The voting rights of the Members shall be as set forth in the Articles of Incorporation, and such voting rights provisions are specifically incorporated herein.

Section 9 Proxies Voting Members may vote in person or by Proxy

Section 10 Majority As used in these By-Laws the term majority" shall mean those votes Owners or other group as the context may indicate, totaling more than fifty (50%) percent of the total number

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Section 11 Quorum Except as otherwise provided in these By Laws or in the Master Deed or Articles of Incorporation the presence in person or by alternate of the Voting Members representing more than fifty (50%) percent of the total vote of the Association shall constitute a quorum at all meetings of the Association Any provision in the Master Deed concerning quorums is specifically incorporated herein. So long as a quorum is present at the opening of the meeting, business may be transacted until adjournment notwithstanding the withdrawal of enough members to leave less than a quorum in attendance Further at any adjourned meeting at which a quorum is present at the reconvening of such meeting any business may be transacted which might have been transacted at the original meeting notwithstanding the withdrawal of enough members to leave less than a quorum in attendance

Section 12 Conduct of Meetings The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meeting and record in a minute book all resolutions adopted at the meeting, as well as a record of all transactions occurring thereat.

Section 13 Action Without a Meeting Any action required by law to be taken at a meeting of the Voting Members or any action which may be taken at a meeting of the Voting Members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the Voting Members entitled to vote with respect to the subject matter thereof, and such consent shall have the same force and effect as a unanimous vote of the Voting Members.

Article III
Board of Directors, Number, Powers, Meetings

A Composition and Selection

Section 1 Governing Body, Composition The affairs of the Association shall be governed by a Board of Directors each of whom shall have one (1) vote. Except as provided in Section 2 of this Article the Directors shall be Members In the case of an Owner which is a corporation or partnership the person designated in writing to the secretary of the Association as the representative of such corporation or partnership shall be eligible to serve as a Director

Section 2 Directors During Class II Control The Directors who shall serve on the Board of Directors of the Association shall be selected by the Class "II" Member acting in its sole discretion and shall serve at the pleasure of the Class "II" Member until the first annual meeting of the membership following termination of Class II control at which time the Board of Directors shall be increased to five (5) Members

Within one hundred twenty (120) days thereafter the Class "II" member shall call a meeting as provided in Article II Section 4 of these By-Laws for special meetings to advise the membership of the termination of the Class II member's control or in the alternative shall notify each member by U S Mail that the Class II membership has terminated.

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The Directors selected by the Class II" member pursuant to this Section need not be Members as provided in Section 1 of this Article

Section 3 Veto This Section 3 may not be amended without the express, written consent of the Class II ' member, so long as the Class "II membership exists

So long as the Class "II" membership exists, the Class "II" member shall have a veto power over all actions of the Board and any committee as is more fully provided in this Section. This veto power shall be exercisable only by the Class "II" member its successors, and assigns who specifically take this power in a recorded instrument. The veto power shall be as follows

No action authorized by the Board of Directors or any committee shall become effective nor shall any action, policy, or program be implemented until and unless

(a) The Class "II member shall have been given written notice of all meetings and proposed actions approved at meetings of the Board or any committee by certified mail, return receipt requested or by personal delivery at the address it has registered with the Secretary of the Association as it may change from time to time which notice complies as to the Board of Directors meetings with Article III Sections 10 and 11 of these By-Laws as to regular and special meetings of the Directors and which notice shall except in the case of the regular meetings held pursuant to the By Laws set forth in reasonable particularity the agenda to be followed at said meeting and

(b) The Class "II" member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of the meeting relative to any prospective action, policy or program to be implemented by the Board, any committee, or the Association The Class "II" member and its representatives or agents shall make its concerns thoughts, and suggestions known to the members of the subject committee and/or the Board. The Class II' member shall have and is hereby granted a veto power over any such action, policy or program authorized by any committee or the Board of Directors and to be taken by any committee or Board of the Association or any individual member of the Association if Board committee or Association approval is necessary for said action. This veto may be exercised by the Class "II" member its representatives or agents at any time within ten (10) days following the meeting held pursuant to the terms and provisions hereof Any veto shall not extend to the requiring of any action or counteraction on behalf of any committee, or the Board or the Association.

Section 4 Number of Directors The number of Directors in the Association shall not be less than three (3) nor more than five (5) as provided below The initial Board shall consist of three (3) members as identified in the Articles of Incorporation.

Section 5 Nomination of Directors Except with respect to Directors selected by the Class 'II" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors and three (3) or more Members of the Association The Nominating Committee shall be appointed by the Board of Directors not less than thirty (30) days prior to each annual

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meeting of the Voting Members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such annual meeting Nominations shall be permitted from the floor All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes

Section 6 Election and Term of Office. Notwithstanding any other provision contained herein

At the first annual meeting of the membership after the termination of the Class II" control and at each annual meeting of the membership thereafter, Directors shall be elected by the Voting Members for terms as outlined below

At the first annual meeting after the termination of Class II control five (5) Directors shall be elected. Two of the Directors elected pursuant to this Section, shall be elected to serve for a term of three (3) years. Two (2) of the remaining Directors shall be elected to serve for a term of two (2) years, with the final Director elected to serve for a one (1) year term. Members of the Board of Directors shall hold office until their respective successors shall have been elected by the Association. Directors may be elected shall not serve any consecutive terms Each member elected thereafter shall be elected for a two (2) year term

Section 7 Removal of Directors and Vacancies Any Director of the Association may be removed, with or without cause, by a vote of the Voting Members with a majority vote of the membership Any Director whose removal is sought will be given notice prior to any meeting called for that purpose. Upon removal of a Director a successor shall then and there be elected to fill the vacancy by the Voting Members responsible for such removal

Any Director who has three (3) consecutive unexcused absences from Board meetings or who is delinquent in the payment of any assessment for more than thirty (30) days may be removed by a majority of the Directors present at a regular or special meeting at which a quorum is present, and a successor may be appointed by the Board. In the event of the death, disability or resignation of a Director a vacancy may be declared by the Board and it may appoint a successor Any Director appointed by the Board shall serve for the remainder of the term such successor was appointed to fill

Section 8 Voting Procedure for Directors At any election of Directors to the Board of Directors each Voting Member may cast, in respect to each vacancy as many votes as he or she is entitled to exercise under the Articles of Incorporation. The candidates receiving the largest number of votes shall be elected.

B Meetings

Section 9 Organizational Meetings The first meeting of the Board of Directors following each annual meeting of the membership shall be held within thirty (30) days thereafter at such time and place as shall be fixed by the Board.

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Section 10 Regular Meetings Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the Directors, but at least one (1) such meeting shall be held during each fiscal year Notice of the time and place of the meeting shall be communicated to Directors not less than four (4) days prior to the meeting, provided, however notice of a meeting need not be given to any Director who has signed a waiver of notice or a written consent to holding of the meeting

Section 11 Special Meetings Special meetings of the Board of Directors shall be held when called by written notice signed by the President or by a majority of Directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered The notice shall be given to each Director by one of the following methods (a) by personal delivery, (b) by first class mail postage prepaid (c) by telephone communication either directly to the Director or to a person at the Director's office or home who would reasonably be expected to communicate such notice promptly to the Director or (d) by telegram, charges prepaid All such notices shall be given by use of the Director's telephone number or shall be sent to the Director's address as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least four (4) days before the time set for the meeting Notices given by personal delivery telephone or telegraph shall be delivered telephoned, or given to the telegraph company at least three (3) days before the time set for the meeting

Section 12 Waiver of Notice The transactions of any meeting of the Board of Directors however called and noticed or wherever held shall be as valid as though taken at a meetmg duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the Directors not present signs a written waiver of notice a consent to holding the meeting, or an approval of the minutes The waiver of notice or consent need not specify the purpose of the meeting Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice

Section 13 Quorum of Board of Directors. At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business and the votes of a majority of the Directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for that meeting If any meeting of the Board cannot be held because a quorum is not present, a majority of the Directors who are present at such meeting may adjourn the meeting until such time and place as they may determine At the reconvened meeting if a quorum is present any business which might have been transacted at the meeting originally called may be transacted without further notice

Section 14 Compensation. No Director shall receive any compensation from the Association for acting as such unless approved by Members holding a majority of the total vote of the Association at a regular or special meeting of the Association provided any Director may be reimbursed for expenses incurred on behalf of the Association upon approval of a majority of the other Directors

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Section 15 Conduct of Meetings The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of meetings of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings

Section 16 Open Meetings Subject to the provisions of Section 17 of this Article, all meetings of the Board shall be open to all Voting Members, but Voting Members other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on his or her behalf by a Director In such case the President may limit the time any Voting Member may speak.

Section 17 Action Without a Formal Meeting Any action to be taken at a meeting of the Directors or any action that may be taken at a meeting of the Directors may be taken without a meeting if a consent in writing setting forth the action so taken, shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote

C Powers and Duties

Section 18 Powers The Board of Directors shall be responsible for the affairs of the Association and shall have all of the powers and duties necessary for the administration of the Association's affairs and, as provided by law may do all acts and things as are not by the Master Deed Articles, or these By Laws directed to be done and exercised exclusively by the Voting Members or the membership generally

The Board of Directors shall delegate to one of its members the authority to act on behalf of the Board of Directors on all matters relating to the duties of the managing agent or manager if any which might arise between meetings of the Board of Directors

In addition to the duties imposed by these By Laws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and shall be responsible for the following in way of explanation, but not limitation.

(a) preparation and adoption of an annual budget in which there shall be established the contribution of each Owner to the Common Expenses;

(b) making assessments to defray the Common Expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment provided, unless otherwise determined by the Board of Directors the annual assessment for each UNIT'S proportionate share of the Common Expenses shall be payable in equal monthly installments or as determined by the Board of Directors

(c) providing for the operation care upkeep, and maintenance of all of the Common Areas

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(d) designating hiring and dismissing the personnel necessary for the maintenance operation repair and replacement of the Association, its property, and the Common Areas and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties

(e) collecting the assessments depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association, provided, any reserve fund may be deposited, in the Directors' best business judgment, in depositories other than banks,

(f) making and amending rules and regulations;

(g) opening of bank accounts on behalf of the Association and designating the signatories required

(h) making or contracting for the making of repairs additions, and improvements to or alterations of the Common Area in accordance with the other provisions of the Master Deed and these By-Laws after damage or destruction by fire or other casualty,

(i) enforcing by legal means the provisions of the Master Deed these By Laws and the rules and regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association

(j) obtaining and carrying insurance against casualties and liabilities, as provided in the Master Deed, and paying the premium cost thereof;

(k) paying the cost of all services rendered to the Association or its Members and not chargeable to Owners

(l) keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. The said books and vouchers accrediting the entries thereupon shall be available for examination by the Owners and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the Owners All books and records shall be kept in accordance with generally accepted accounting principles,

(m) making available to any prospective purchaser of a UNIT, any Owner of a UNIT, any first Mortgagee and the holders insurers and guarantors of a first Mortgage on any UNIT, current copies of the Master Deed, the Articles of Incorporation, the By-Laws rules governing the UNIT, and all other books records and financial statements of the Association, and

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the properties

Section 19 Management Agent

(a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize The Board of Directors may delegate to the managing agent or manager, subject to the Board's supervision, all of the powers granted to the Board of Directors by these By-Laws, other than the powers set forth in subparagraphs (a) (b) (f) (g), and (i) of Section 18 of this Article The GRANTOR, or an affiliate of the GRANTOR, may be employed as managing agent or manager

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee or penalty on ninety (90) days or less written notice

Section 20 Accounts and Reports The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise

(a) accrual accounting as defined by generally accepted accounting principles, shall be employed

(b) accounting and controls shall conform to generally accepted accounting principles,

(c) cash accounts of the Association shall not be commingled with any other accounts

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise unless it benefits the Association

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors,

(f) commencing at the end of the month in which the first UNIT is sold and closed, financial reports shall be prepared for the Association at least quarterly containing:

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis;

(ii) a variance report reflecting the status of all Association ledger accounts in an "actual" versus "approved" budget format

(iii) a balance sheet as of the last day of the preceding period, and

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Section 19 Management Agent

(a) The Board of Directors may employ for the Association a professional management agent or agents at a compensation established by the Board of Directors to perform such duties and services as the Board of Directors shall authorize. The Board of Directors may delegate to the managing agent or manager subject to the Board s supervision, all of the powers granted to the Board of Directors by these By Laws other than the powers set forth in subparagraphs (a) (b), (f) (g) and (i) of Section 18 of this Article The GRANTOR, or an affiliate of the GRANTOR, may be employed as managing agent or manager

(b) No management contract may have a term in excess of one (1) year and must permit termination by either party without cause and without termination fee or penalty on ninety (90) days' or less written notice

Section 20 Accounts and Reports The following management standards of performance will be followed unless the Board by resolution specifically determines otherwise

(a) accrual accounting, as defined by generally accepted accounting principles shall be employed,

(b) accounting and controls shall conform to generally accepted accounting principles,

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors or others providing goods or services to the Association, whether in the form of commissions finder's fees service fees, prizes, gifts or otherwise unless it benefits the Association

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the month in which the first UNIT is sold and closed, financial reports shall be prepared for the Association at least quarterly containing

(i) an income statement reflecting all income and expense activity for the preceding period on an accrual basis,

(ii) a variance report reflecting the status of all Association ledger accounts in an "actual" versus "approved" budget format

(iii) a balance sheet as of the last day of the preceding period, and

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(iv) a delinquency report listing all Owners who are delinquent in paying the assessments at the time of the report and describing the status of any action to collect such installments which remain delinquent (A monthly installment of the assessment shall be considered to be delinquent on the fifteenth (15th) day of each month unless otherwise determined by the Board of Directors), and

(g) an annual report as of the end of the fiscal year consisting of at least the following shall be distributed to all Members within one hundred twenty (120) days after the close of the fiscal year (1) a balance sheet (2) an operating (income) statement, and (3) a statement of changes in financial position for the fiscal year The annual report referred to above shall be prepared on an audited basis by an independent certified public accountant for each fiscal year

Section 21 Borrowing. The Board of Directors shall have the power to borrow money for the purpose of repair or restoration of the Common Areas or for the purpose of funding budgetary shortfalls without the approval of the membership provided, however the Board shall obtain Voting Member approval by majority vote for special assessments in the event that the proposed borrowing is for the purpose of modifying improving, or adding amenities, and the total amount of such borrowing exceeds or would exceed five (5%) percent of the budgeted gross expenses of the Association for that fiscal year

Section 22 Rights of the Association. With respect to the Common Areas and in accordance with the Articles of Incorporation and By Laws of the Association, the Association shall have the right to contract with any person for the performance of various duties and functions Without limiting the foregoing this right shall entitle the Association to enter into common management, operational or other agreements with trusts condominiums, cooperatives, or neighborhood and other Owners or residents associations, both within and without the properties Such agreements shall require the consent of two thirds (2/3) of all Directors of the Association.

The Association shall not be bound, either directly or indirectly by any contract, lease, or other agreement (including any management contract) executed during the period of Class "II" control unless such contract, lease or other agreement contains a right of termination exercisable by either party without penalty at any time with or without cause upon not more than ninety (90) days notice to the other party

Notwithstanding anything to the contrary contained herein, the Association through its Board of Directors, shall have the right to enter into a declaration of easement and covenant to share costs or similar arrangement whereby the Association assumes maintenance responsibility for property which it does not own, or grants easements to entities which are not Members in consideration for payment by the Owner of such property or such nonmembers of all or a portion of the costs associated with such maintenance or use

Section 23 Enforcement The Board shall have the power to impose reasonable fines, which shall constitute a lien upon the property of the violating Owner and to suspend an Owner's right to vote or to use the Common Area for violation of any duty imposed under the Master Deed, these By-

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Laws or any rules and regulations adopted hereunder provided however nothing herein shall authorize the Association or the Board of Directors to limit ingress and egress to or from a UNIT In the event that any occupant of a UNIT violates the Master Deed, By-Laws or a rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant, provided, however if the fine is not paid by the occupant within the time period set by the Board the Owner shall pay the fine upon notice from the Association The failure of the Board to enforce any provision of the Master Deed, By Laws, or any rule or regulation shall not be deemed a waiver of the right of the Board to do so thereafter

(a) Notice Prior to imposition of any sanction hereunder, except the suspension of voting rights for nonpayment of assessments, the Board or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a period of not less then ten (10) days within which the alleged violator may present a written request to the Covenants Committee if any or Board of Directors for a hearing, and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a challenge is begun within ten (10) days of the notice If a timely challenge is not made, the sanction stated in the notice shall be imposed

(b) Hearing If a hearing is requested in a timely manner the hearing before the Covenants Committee shall be held in executive session affording the Owner a reasonable opportunity to be heard Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer director, or agent who delivered such notice The notice requirement shall be deemed satisfied if the alleged violator appears at the meeting The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction if any imposed.

(c) Appeal Following a hearing before the Covenants Committee the violator shall have the right to appeal the decision to the Board of Directors To perfect this right, a written notice of appeal must be received by the manager President, or Secretary of the Association within thirty (30) days after the hearing date.

(d) Additional Enforcement Rights Notwithstanding anything to the contrary herein contained the Association acting through the Board of Directors may elect to enforce any provision of the Master Deed, these By Laws or the rules and regulations of the Association by self-help (specifically including, but not limited to the towing of vehicles that are in violation of parking rules and regulations) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedure set forth above In any such action, to the maximum extent permissible the Owner or occupant responsible for the violation of which abatement is sought shall pay all costs, including reasonable attorney's fees actually incurred

Article IV
Officers

Section 1 Officers The officers of the Association shall be a President, Vice President, Secretary and Treasurer, to be elected from among the members of the Board The Board of Directors may appoint such other officers including one or more Assistant Secretaries and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed from time to time by the Board of Directors. Any two (2) or more offices may be held by the same person except the offices of President and Secretary

Section 2 Election, Term of Office, and Vacancies The officers of the Association shall be elected annually by the Board of Directors at the first meeting of the Board of Directors following each annual meeting of the membership as herein set forth in Article III A vacancy in any office arising because of death resignation, removal or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

Section 3 Removal Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Association will be served thereby

Section 4 Powers and Duties The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may from time to time be specifically conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association The Treasurer shall have the responsibility for the preparation of the budget as provided for in the Master Deed.

Section 5 Resignation Any officer may resign at any time by giving written notice to the Board of Directors the President, or the Secretary Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein the acceptance of such resignation shall not be necessary to make it effective

Section 6 Agreements, Contracts, Deeds, Leases, Checks, Etc All agreements contracts, deeds leases checks, and other instruments of the Association shall be executed by at least two (2) officers or by such other person or persons as may be designated by resolution of the Board of Directors Provided however agreements contracts and checks may be executed by the Management Agent.

Article V
Committees

Section 1 General Committees are hereby authorized to perform such tasks and to serve for such periods as may be designated by a resolution adopted by a majority of the Directors present at a meeting at which a quorum is present. Each committee shall operate in accordance with the terms of the resolution of the Board of Directors designating the committee or with rules adopted by the Board of Directors

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Section 2 Covenants Committee In addition to any other committees which may be established by the Board pursuant to Section 1 of this Article the Board of Directors may appoint a Covenants Committee consisting of at least three (3) and no more than five (5) members. Acting in accordance with the provisions of the Master Deed these By-Laws, and resolutions the Board may adopt, the Covenants Committee, if established, shall be the hearing tribunal of the Association and conduct all hearings held pursuant to Article III Section 23 of these By Laws

Article VI
Miscellaneous

Section 1 Fiscal Year The fiscal year of the Association shall be a normal calendar year

Section 2 Parliamentary Rules Except as may be modified by Board resolution Robert's Rules of Order (current edition) shall govern the conduct of Association proceedings when not in conflict with South Carolina law, the Articles of Incorporation, the Master Deed, or these By-Laws

Section 3 Conflicts If there are conflicts or inconsistencies between the provisions of South Carolina law the Articles of Incorporation the Master Deed, and these By-Laws, the provisions of South Carolina law the Master Deed, the Articles of Incorporation, and the By Laws (in that order) shall prevail

Section 4 Books and Records

(a) Inspection by Members and Mortgagees The Master Deed and By-Laws, membership register books of account, and minutes of meetings of the Members the Board and committees shall be made available for inspection and copying by any Mortgagee Member of the Association, or by his or her duly appointed representative at any reasonable time and for a purpose reasonably related to his or her interest as a Member at the office of the Association or at such other place within the Properties as the Board shall prescribe

(b) Rules for Inspection The Board shall establish reasonable rules with respect to

(i) notice to be given to the custodian of the records

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

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

(c) Inspection by Directors Every Director shall have the absolute right at any reasonable time to inspect all books records and documents of the Association and the physical properties owned or controlled by the Association The right of inspection by a Director includes the right to make extracts and a copy of relevant documents at the expense of the Association

Section 5 Notices Unless otherwise provided in these By Laws all notices, demands, bills statements or other communications under these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States Mail first class postage prepaid

(a) if to a Member or Voting Member at the address which the Member or Voting Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the UNIT of such Member or Voting Member or

(b) if to the Association, the Board of Directors or the managing agent, at the principal office of the Association or the managing agent, if any, or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

Section 6 Amendment. Prior to the conveyance of the first UNIT GRANTOR may unilaterally amend these By-Laws. Thereafter and otherwise, but subject to the provisions hereinafter provided, these By Laws may be amended only by the affirmative vote (in person or by alternate) or written consent of Voting Members representing sixty-seven (67%) percent of the total votes of the Association including sixty-seven (67%) percent of the votes of Members other than the GRANTOR. However the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Further, no amendment of any provision reserving a right specifically in favor of the GRANTOR may be amended without the GRANTOR S express consent No amendment shall be effective until recorded in the public records of Horry County South Carolina.

IN WITNESS WHEREOF Riverwalk at Arrowhead Country Club Property Owners' Association Inc., a South Carolina Corporation has caused these presents to be executed this 28th day of October, 1997

RIVERWALK AT ARROWHEAD
COUNTRY CLUB PROPERTY
OWNERS' ASSOCIATION INC

By _____
Roger H. Van Wie President

Y

TIFIED TO BE A TRUE AND CORRECT COPY
S TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE.

OCT 2 0 1997

SECRETARY OF STATE OF SOUTH CAROLINA

SECRETARY OF STATE

NONPROFIT CORPORATION

ARTICLES OF INCORPORATION

Jim Miles
SECRETARY OF STATE
FILED
OCT 20 1997
AM PM
7 8 9 10 11 12 1 2 3 4 5 6

Instructions (1) Must be typewritten or printed
(2) Must file this original and one copy
(3) Must include $25 fee payable to the Secretary of State
(4) Should your articles be refused, you will receive written notification within five days

1 The name of this corporation is (33-31-401)

Riverwalk at Arrowhead Country Club Property Owners' Association, Inc.

2 The initial registered office of the corporation is:

1201 48th Avenue North — Street Address
Myrtle Beach — City
Horry — County

South Carolina 29577
State, Zip Code
[The complete address is required by SC Code 33-31-202(a)3]

3. The name of the registered agent at the above office is

Roger H VanWie

4 Check either (a), (b), or (c) Check only one box

[ ] The nonprofit corporation is a public benefit corporation

[ ] The nonprofit corporation is a religious corporation

[X] The nonprofit corporation is a mutual benefit corporation.

5 Check (a) or (b), whichever is applicable

[X] This corporation will have members who will vote for the board of directors See Section 33-31-202(a)5

[ ] This corporation will not have members

6 The address of the principal office of the nonprofit corporation is

1201 48th Avenue North
Street Address

Myrtle Beach	Horry	South Carolina	29577
City,	County,	State,	Zip Code

[The complete address is required by SC Code 33-31-202(a)7]

7. If the corporation is either public benefit or religious, complete either (a) or (b) below Do not check both [This information is required by 33-31-202(a)6]

[ ] Upon dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)3 of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose Any such asset not so disposed of shall be disposed of by the court of common pleas of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes

[ ] Upon dissolution of the corporation, consistent with law, the remaining assets of the corporation shall be distributed to

_____

_____

_____

8 If the corporation is a mutual benefit corporation, complete either (a) or (b) to describe how the assets of the corporation will be distributed upon dissolution of the corporation

[X] Upon dissolution of the mutual benefit corporation, the assets shall be distributed to its members, or if it has no members, to those persons to whom the corporation holds itself out as benefiting or serving.

[ ] Upon dissolution of the mutual benefit corporation the assets, consistent with law, shall be distributed to

_____

9. Please include any optional provisions which the nonprofit elects to include in these articles of incorporation See Section 33-31-202(b) through 33-31-202(e)

N/A

10 The name and address of each incorporator is as follows:

Roger H VanWie, 1201 48th Avenue North, Myrtle Beach, SC 29577

[This information is required by SC Code 33-31-202(a)4]

11

Incorporator's Signature [33-31-202(d)]

Roger H VanWie
Incorporator's Name (typed)

Incorporator's Signature

Incorporator's Name (typed)

12

Signature of any director named in these articles

Director's Name (typed)

Signature of any director named in these articles

Director's Name (typed)

October 14, 1997
Date and Time

Exhibit "F"
The Maintenance Schedule

Description of Repair or Replacement of COMMON ELEMENTS	Required Frequency of Action (In Years)
Asphalt Pavement - Sealing	3
Asphalt Pavement - Repair/Replacement	5
Curbing Repair	3
Painting Facia, Trim & Handrails	3
Caulking/Sealants - Door & Windows	1 ½
Exterior Carpet Replacement	5
Tree Replacement/Seasonal Color	1
Pressure Wash of Buildings	1
Replacement of Roof Shingles	20
Replacement of Pool Equipment	5
Pool Enclosure	15
Pool Finish	5
Replacement of Pool Furnishings	5
Exercise Equipment	1
Lazy River Pool and Pumps	5
Garage Maintenance	1

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SIXTEENTH AMENDMENT TO MASTER DEED FOR
RIVERWALK AT ARROWHEAD GOLF CLUB
HORIZONTAL PROPERTY REGIME,
SAID MASTER DEED BEING DATED OCTOBER 28 1997 AND
RECORDED OCTOBER 30, 1997, IN DEED BOOK 1987 AT PAGE 114
RECORDS OF HORRY COUNTY

FILED
COUNTY S.C.
99 DEC -3 AM 10 56

Pursuant to the terms and conditions of the aforesaid Master Deed and related documents Heritage Riverwalk, Inc , a South Carolina Corporation, herein and hereby amends the said Master Deed and related documents as set out herein for the purpose of submitting Phase XVIII to Riverwalk at Arrowhead Golf Club Horizontal Property Regime.

Therefore, Heritage Riverwalk, Inc a South Carolina Corporation, hereinafter referred to as the GRANTOR, as the sole owner of the improvements hereinafter described, does hereby make, declare and publish its intention and desire to submit, and does hereby submit the land and improvements hereinbelow described (Phase XVIII), including all easements, rights and appurtenances thereto belonging, to a Horizontal Property Regime (sometimes termed "condominium" ownership known as Riverwalk at Arrowhead Golf Club, a Horizontal Property Regime) in the manner provided for by Sections 27 31-10 through 27-31 30 (both inclusive) of Chapter 31 entitled "Horizontal Property Act of the 1976 Code of Laws of South Carolina" as amended, and as provided for in the Master Deed creating Riverwalk at Arrowhead Golf Club Horizontal Property Regime, dated October 28, 1997 and recorded October 30, 1997 in Deed Book 1987 at Page 114 records of Horry County, South Carolina.

Article I and Exhibit A of the Master Deed are hereby amended to add thereto the following which is hereby submitted to the Horizontal Property Regime

> ALL AND SINGULAR, all that certain piece, parcel, or tract of land located in Horry County South Carolina, containing 2 09 acres and being more particularly shown and designated as "PHASE 18" on that certain map or plat entitled "CLOSING PLAT OF PHASE 18 RIVERWALK AT ARROWHEAD COUNTRY CLUB PHASE 2 NEAR BURCALE ROAD, HORRY COUNTY SOUTH CAROLINA" prepared for Heritage Riverwalk, Inc by Robert L. Bellamy & Associates, Inc., Consulting Engineers & Surveyors, dated October 19, 1999, and issued on November 5, 1999, and revised on November 17 1999, and recorded on November 30, 1999, in Plat Book 166 at Page 167 records of Horry County, South Carolina.

Article II of the Master Deed is hereby amended to add thereto the following:

> Further, annexed hereto and expressly made a part hereof, as Exhibit B-16 is a Survey showing the location of the building and other improvements comprising Phase XVIII and a set of floor plans of such building which shows graphically the dimensions area and location of COMMON ELEMENTS and LIMITED COMMON

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ELEMENTS affording access to each UNIT therein. Each UNIT is identified by a specific number on said Exhibit B-16 and no UNIT bears the same designation as any other UNIT In addition, a set of Plans for four (4) Garage UNITS as identified in said Master Deed are also made a part of Exhibit B-16 Exhibit B 16 is also recorded as a separate condominium plat in the public records of aforesaid Horry County South Carolina, maintained by the Horry County Register of Deeds in Condominium Plat Book C at Page 220

Article XII of the Master Deed is amended to add the following:

Further, annexed hereto and made a part hereof as Exhibit C-16 is a table of statutory values and percentage interests which reflects the addition of Phase XVIII as a part of Riverwalk at Arrowhead Golf Club Horizontal Property Regime.

GENERALLY The said Master Deed is further amended in all particulars generalities and references so as to reflect and include the submission of and intent to submit the said Phase XVIII to the Horizontal Property Regime and to reserve all rights to submit any additional phase(s) to the Horizontal Property Regime, in accordance with the provisions of said Master Deed.

IN WITNESS WHEREOF Heritage Riverwalk, Inc a South Carolina Corporation, has caused these presents to be executed this 24th day of NOVEMBER 1999

SIGNED SEALED AND DELIVERED
IN THE PRESENCE OF

Heritage Riverwalk, Inc.,
a South Carolina Corporation

Stephanie A Meadows

Joanne E Wyckham

BY _____
Gwyn Hardister Vice President

Stephanie A Meadows ATTEST _____
Lynn M Andersen, Secretary

Joanne E Wyckham

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

PROBATE

PERSONALLY appeared before me the undersigned witness and made oath that s/he saw the within named Heritage Riverwalk, Inc a South Carolina Corporation, by and through its duly authorized officers(s), Sign, Seal and as its Act and Deed deliver the within written SIXTEENTH AMENDMENT TO MASTER DEED, and that s/he with the undersigned notary witnessed the execution thereof.

Stephanie Q McAdow

SWORN to before me this 24th
day of NOVEMBER, 1999

Notary Public for South Carolina
My Commission Expires 5/11/2009

RIVERWALK AT ARROWHEAD GOLF CLUB
HORIZONTAL PROPERTY REGIME

PHASE XVIII

EXHIBIT "B 16"
TO
MASTER DEED

NOTE Exhibit "B-16" is a survey prepared by Robert L Bellamy and Associates Inc , dated October 19, 1999, and issued on November 5 1999 and revised on November 17, 1999 (such survey is referred to herein as the "Survey") which shows the location of the Building and other improvements and a set of floor plans and elevations for Phase XVIII, dated June 3 1999, and revised June 9 1999 May 27 1999 and August 11 1999 prepared by Tuscan Architectural Group (the plans are hereinafter referred to as the "Plans"), which show graphically the dimensions, area and location of each UNIT therein and the dimensions, area and location of COMMON ELEMENTS and LIMITED COMMON ELEMENTS affording access to each UNIT The Plans and Survey are recorded in Condominium Plat Book C at Page 840 records of Horry County South Carolina and are incorporated herein by this reference Said Exhibit further includes the following

There is one building, also identified as Building II 5 containing twelve (12) Residential UNITS in Phase XVIII. Each UNIT is identified by a separate three (3) digit UNIT number on the Plans. The UNIT number as shown on the Plans is preceded by Roman Numeral II and the number five (II5) and a dash which designates the Building number for the purposes of this Master Deed. Each UNIT as shown on the Plans uses a typical floor plan. UNITS II5-101 II5 102, II5 103 and II5-104 are all located on the first floor of the Building, as shown on the Plans UNITS II5-201 II5-202, II5-203 II5-204 are all located on the second floor of the Building, as shown on the Plans UNITS II5-301, II5-302, II5-303 and II5 304 are all located on the third floor of the Building, as shown on the Plans. The Building is three levels in height and contains four (4) UNITS on each level Each UNIT is individually numbered using the UNIT number identifier shown on Exhibit "C" to this Master Deed and shown on the Plans with the addition of II5 and a dash.

All of the UNITS in Phase XVIII are Residential UNITS or Garage UNITS, as defined in the Master Deed.

As shown on the Plans, each UNIT has an entrance door opening on to a balcony or walkway which balcony or walkway is a COMMON ELEMENT Access to the second and third levels of the Building is by way of two (2) sets of stairways, with one located on each end of the Building. The stairways are COMMON ELEMENTS

Parking is provided in the parking area shown on the Survey within the property being submitted herewith as Phase XVIII, as well as the property previously submitted, pursuant to the terms of this Master Deed. The parking areas are also COMMON ELEMENTS

Each one (1) bedroom UNIT contains a great room, a kitchen, a bedroom, two (2) bathrooms, a closet and a mechanical room, as shown on the Plans. Each two (2) bedroom UNIT contains a living area, a dining area, two (2) bedrooms a kitchen, two (2) bathrooms, and closets as shown on the Plans

An exterior storage room is also a part of each two (2) bedroom UNIT which storage room is accessed from the patio or deck immediately adjacent to the UNIT of which it is a part. In addition, the patios and decks, as shown on the Plans, are LIMITED COMMON ELEMENTS for the use and benefit of the UNIT from which such patio or deck is accessible and adjacent to

As to each UNIT All built in kitchen appliances, the refrigerator, heating and air-conditioning units and condensers, hot water heaters and bathroom fixtures located in each UNIT are a part of the UNIT in which they are located and are not COMMON ELEMENTS The air handling units which serve each UNIT are a part of the UNIT which it serves and are not COMMON ELEMENTS notwithstanding that it is located outside of the UNIT

Reference to areas as COMMON ELEMENTS or areas in this Exhibit shall be in addition to and read in conjunction with the further designations of Common Elements and areas as set out in the Master Deed and the Survey and Plans making up the balance of this Exhibit "B-16"

In addition, also contained within Phase XVIII are four (4) Garage UNITS in a detached Garage Building as shown on Plans entitled "Riverwalk at Arrowhead Garage Building No One dated October 1 1998 ("Garage Plans") As shown on the Garage Plans, the Garage UNITS are identified as Garage UNIT II One-F, Garage UNIT II One-G, Garage UNIT II One-H and Garage UNIT II One-I. Access to the Garage UNITS is by Garage doors also shown on the Garage Plans. The Garage door is not a common element.

This Exhibit "B" shall be amended if any additional phase(s) shall become part of Riverwalk at Arrowhead Golf Club Horizontal Property Regime in accordance with the terms of this Master Deed.

RIVERWALK AT ARROWHEAD GOLF CLUB
HORIZONTAL PROPERTY REGIME

EXHIBIT "C 16"
TO
MASTER DEED

Schedule of percentage (%) of undivided interest in the COMMON ELEMENTS appurtenant to UNITS in Riverwalk at Arrowhead Golf Club, a condominium, including Phases I, II III, IV, V VI, VII, VIII, IX, X, XI, XII, XIII, XIV XV XVI and XVIII (Phase XVII intentionally skipped at this time) Statutory Value is for statutory purposes only and has no relationship to the actual value of each UNIT

UNIT Number Phase I	Statutory Value	Percentage Interest (Phases I, II, III, IV,V,VI,VII,VIII, IX,X, XI, XII, XIII, XIV, XV, XVI & XVIII)
1 101	80 000 00	5178
1-102	63,000 00	4070
1-103	80,000 00	.5178
1-104	80 000 00	.5178
1 201	80 000 00	.5178
1 202	63,000 00	4070
1 203	80,000 00	5178
1-204	80,000 00	5178
1-301	80 000 00	5178
1 302	63,000 00	.4070
1-303	80,000 00	5178
1-304	80,000 00	5178
UNIT Number Phase II		
2-101	80,000 00	5178
2-102	63 000 00	4070

2-103	80 000 00	5178
2 104	80 000 00	5178
2 201	80 000 00	5178
2 202	63,000 00	4070
2 203	80 000 00	5178
2-204	80 000 00	5178
2-301	80,000 00	5178
2-302	63,000 00	4070
2-303	80,000 00	.5178
2 304	80,000 00	5178
UNIT Number Phase III		
3-101	80,000 00	.5178
3-102	63 000 00	4070
3-103	80 000 00	5178
3-104	80,000 00	.5178
3-201	80,000 00	.5178
3-202	63,000 00	4070
3-203	80 000 00	.5178
3-204	80,000 00	.5178
3-301	80 000 00	.5178
3-302	63,000 00	4070
3-303	80 000 00	5178
3-304	80,000 00	5178
UNIT Number Phase IV		

4-101	80 000 00	5178
4-102	63 000 00	4070
4-103	80 000 00	5178
4-104	80,000 00	5178
4-201	80,000 00	5178
4-202	63 000 00	4070
4-203	80,000 00	.5178
4-204	80,000 00	5178
4-301	80,000 00	.5178
4-302	63,000 00	4070
4-303	80,000 00	.5178
4-304	80 000 00	.5178
UNIT Number Phase V		
5-101	80,000 00	5178
5-102	63,000 00	4070
5 103	80,000 00	5178
5-104	80,000 00	.5178
5 201	80,000 00	5178
5 202	63,000 00	4070
5 203	80,000 00	5178
5-204	80,000 00	.5178
5-301	80,000 00	5178
5-302	63 000 00	4070
5-303	80 000 00	.5178
5-304	80 000 00	.5178

UNIT Number Phase VI		
6-101	80,000 00	5178
6-102	63 000 00	4070
6-103	80 000 00	5178
6-104	80 000 00	5178
6-201	80 000 00	5178
6-202	63,000 00	4070
6-203	80,000 00	.5178
6-204	80,000 00	5178
6-301	80 000 00	5178
6-302	63 000 00	4070
6-303	80 000 00	.5178
6-304	80,000 00	5178
UNIT Number Phase VII		
7-101	80,000 00	5178
7-102	63 000 00	4070
7-103	80,000 00	5178
7 104	80,000 00	5178
7 201	80 000 00	5178
7-202	63 000 00	4070
7-203	80 000 00	.5178
7-204	80 000 00	.5178
7-301	80 000 00	5178
7-302	63 000 00	4070

7 303	80 000 00	.5178
7 304	80,000 00	.5178
UNIT Number Phase VIII		
8-101	80 000 00	5178
8-102	63,000 00	4070
8-103	80 000 00	5178
8 104	80 000 00	5178
8-201	80,000 00	5178
8-202	63,000 00	4070
8-203	80 000 00	5178
8-204	80 000 00	5178
8-301	80,000 00	5178
8-302	63,000 00	4070
8-303	80,000 00	5178
8-304	80,000 00	5178
UNIT Number Phase IX		
9-101	80,000 00	.5178
9-102	63 000 00	4070
9-103	80,000 00	5178
9-104	80,000 00	5178
9-201	80 000 00	5178
9-202	63 000 00	4070
9-203	80 000 00	.5178
9-204	80 000 00	5178

9-301	80 000 00	.5178
9-302	63 000 00	4070
9-303	80,000 00	.5178
9-304	80 000 00	5178
UNIT Number Phase X		
10-101	80 000 00	5178
10-102	63 000 00	4070
10-103	80 000 00	5178
10-104	80,000 00	5178
10-201	80 000 00	5178
10-202	63,000 00	4070
10-203	80 000 00	5178
10-204	80,000 00	5178
10-301	80 000 00	.5178
10-302	63 000 00	4070
10-303	80 000 00	5178
10-304	80 000 00	5178
UNIT Number Phase XI		
11-101	80 000 00	5178
11-102	63 000 00	4070
11-103	80,000 00	5178
11-104	80 000 00	.5178
11-201	80,000 00	5178
11-202	63,000 00	4070

11 203	80,000 00	.5178
11 204	80 000 00	5178
11-301	80 000 00	5178
11 302	63,000 00	4070
11 303	80 000 00	.5178
11 304	80 000 00	5178
UNIT Number Phase XII		
12-101	80,000 00	5178
12 102	63 000 00	4070
12-103	80 000 00	5178
12-104	80 000 00	5178
12-201	80 000 00	5178
12-202	63,000 00	4070
12-203	80 000 00	.5178
12-204	80,000 00	5178
12 301	80,000 00	5178
12-302	63 000 00	4070
12-303	80,000 00	.5178
12-304	80 000 00	.5178
UNIT Number Phase XIII		
13-101	80 000 00	5178
13-102	63 000 00	4070
13-103	80 000 00	5178
13-104	80 000 00	5178

13-201	80 000 00	5178
13-202	63 000 00	4070
13-203	80,000 00	5178
13-204	80 000 00	5178
13-301	80 000 00	5178
13-302	63,000 00	4070
13-303	80,000 00	.5178
13-304	80 000 00	5178
UNIT Number Phase XIV		
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14-102	63,000 00	4070
14-103	80,000 00	.5178
14-104	80,000 00	5178
14-201	80,000.00	.5178
14-202	63 000.00	4070
14-203	80 000 00	5178
14-204	80 000 00	5178
14-301	80 000 00	5178
14-302	63,000 00	4070
14-303	80,000.00	.5178
14-304	80,000 00	5178
UNIT Number Phase XV		
15 101	80 000 00	5178
15-102	63 000 00	4070

15-103	80 000 00	5178
15-104	80 000 00	5178
15 201	80 000 00	.5178
15-202	63 000 00	4070
15-203	80 000 00	.5178
15-204	80 000 00	5178
15-301	80 000 00	.5178
15 302	63,000 00	4070
15 303	80 000 00	5178
15-304	80 000 00	5178
UNIT Number Phase XVI		
16-101	80,000 00	5178
16-102	63,000 00	4070
16-103	80 000 00	.5178
16-104	80,000 00	5178
16-201	80 000 00	.5178
16-202	63 000 00	4070
16-203	80 000 00	.5178
16-204	80 000 00	5178
16-301	80 000 00	5178
16-302	63 000 00	4070
16-303	80 000 00	5178
16-304	80,000 00	5178
UNIT Number Phase XVIII		

II5-101	80,000 00	5178
II5-102	63 000 00	4070
II5-103	80 000 00	5178
II5-104	80 000 00	5178
II5-201	80,000 00	5178
II5-202	63 000 00	4070
II5-203	80,000 00	5178
II5-204	80 000 00	5178
II5-301	80 000 00	5178
II5-302	63 000 00	4070
II5-303	80,000 00	.5178
II5-304	80 000 00	.5178
GARAGE UNIT II ONE-F	$8 000 00	0050
GARAGE UNIT II ONE -G	$8,000 00	0050
GARAGE UNIT II ONE-H	$8,000 00	0050
GARAGE UNIT II ONE-I	$8,000 00	0050
Total Statutory Value for Phases I, II, III, IV,V,VI,VII,VIII,IX,X,XI, XII, XIII, XIV, XV, XVI & XVIII	**$15,485,000 00**	**100 000% (rounded to nearest one thousandth)**

Tuscan Architectural Group
A SUBSIDIARY OF HERITAGE COMMUNITIES

4729 Penn Drive
Myrtle Beach, SC 29577

Phone 843 449 6200
Fax 843 497 0482

November 23 1999

Re **Building II-5, Riverwalk at Arrowhead**
1512 Lantern s Rest Road
Myrtle Beach, SC 29575

The attached plans by Tuscan Architectural Group Inc of Myrtle Beach, S C consist of 5 sheets numbered and dated or revised as follows

A101 - First Floor Plan	(06/03/99)
A102 - Second Floor Plan	(06/03/99)
A103 - Third Floor Plan	(06/03/99)
A201 - Front & Left Side Exterior Elevations	(06/03/99)
A202 - Rear & Right Side Exterior Elevations	(06/03/99)

The attached plans consist of 12 units numbered as follows

(9 2-Bedrooms 3 1-Bedrooms) Units 101 102, 103 104
201 202, 203 204
301 302, 303 304

The visible components of the completed building comprising **Building II-5** of this project, appear to conform to the attached plans. The floor plans show graphically the dimensions, area and location of the proposed units and the access to each unit. Other proposed common elements, both limited and general are shown graphically insofar as possible In addition the suggested number of each unit has been shown on the plans The undersigned is the "Architect of Record" on the subject building, did not provide construction observation of the subject building and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above

By Matthew B. Ward, Architect
Matthew B Ward

SC License # 04926

Dated 11-23-99

Tuscan Architectural Group
A SUBSIDIARY OF HERITAGE COMMUNITIES
4729 Jena Drive
Myrtle Beach, SC 29577
Phone 843 449 6200
Fax 843 497 0488

November 30 1999

Re **Garage Building One**
Riverwalk at Arrowhead, Phase II
Myrtle Beach SC 29575

The attached plans by Tuscan Architectural Group Inc. of Myrtle Beach S C consist of 1 sheet numbered and dated or revised as follows

A101 - Plans Elevations & Section (10/01/98)

The attached plans consist of 4 units numbered as follows

Units II One-F II One-G II One-H II One-I

The visible components of the completed building comprising Garage Building One of this project, appear to conform to the attached plans. The floor plans show graphically the dimensions, area and location of the proposed units and the access to each unit. Other proposed common elements, both limited and general are shown graphically insofar as possible In addition, the suggested number of each unit has been shown on the plans. The undersigned is not the Architect of Record" on the subject building did not provide construction observation of the subject building and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above

By Matthew B Ward Architect
Matthew B Ward

SC License # 04926

Dated 11-30-99

Received Nov-24-99 03:22pm from 8434978482 to BUILDSTAR INC page 1
NOV 24 '99 15:11 H C CODE ENFORCEMENT 803 248 1406 TEL 803 248 1406

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following.

Owner of Building Heritage Riverwalk Inc

Building Address Bldg 5 Lamplighter /Riverwalk/Myrtle Beach S C 29575

Use Classification 12 Unit Condo Bldg Permit No. 61[illegible]-22135

District 60

Building Official

By David Riland

Date 11/24/99

New Construction Subterranean Termite Soil Treatment Record

This form is completed by the licensed Pest Control Company

This report is submitted for informational purposes to the builder on proposed (new) construction cases when soil treatment for prevention of subterranean termite infestation is specified by the builder, architect, or required by the lender, architect, FHA, or VA.

All contracts for services are between the Pest Control Operator and builder unless stated otherwise.

Section 1 General Information *(Treating Company Information)*

Company Name: Terminix Service

Company Address: P O Box 1830 City: Conway State: SC Zip: 29528

Company Business License No.: B 0002122 Company Phone No. (843) 234-0137

FHA/VA Case No. (if any)*:

Section 2: Builder Information

Company Name: Heritage Comm. Properties

Phone No. (843) 449-6200

Section 3: Property Information

Location of Structure(s) Treated *(Street Address, or Legal Description, City, State and Zip)*: Condo Bldg only
Riverwalk II Bldg # 5

Type of Construction: ☒ Slab ☐ Basement ☐ Crawl ☐ Other
(More than one box may be checked)

Approximate Depth of Footing: Outside: 1 ft Inside: 1 ft Type of Fill:

Section 4: Treatment Information

Date(s) of Treatment(s): 7/7/99

Brand Name of Product(s) Used: Dursban TC EPA Registration No.: 464-562

Approximate Final Mix Solution %: .75%

Approximate Size of Treatment Area:
Sq. ft.: 3808 Linear ft.: 148 Linear ft. of Masonry Voids: 0

Approximate Total Gallons of Solution Applied: 550

Was treatment completed on exterior? ☐ YES ☒ NO

Service Agreement Available: ☒ YES ☐ NO
Note: Some state laws require service agreements to be issued. This form does not preempt state law.

Attachments (List)*:

Comments: Final treatment to be completed when landscaping is completed

Name of Applicator(s): Tom Johnson Certification No. (IF REQUIRED BY STATE LAW) CA 0112888

The applicator has used a product in accordance with the product label and state requirements. All treatment materials and methods used comply with state and federal regulations.

Authorized Signature: John Sharpe Date: 11/09/99

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

THIS FORM MAY NOT BE ALTERED.

Forms VA-26-8378 and HUD-92552 are obsolete

Form NPCA-99b (8/97)

Subterranean Termite Soil Treatment Builder's Guarantee

This form is completed by the builder.

This form is submitted for proposed (new) construction cases when soil treatment for prevention of subterranean termite infestation is specified by the builder or required by the lender the architect, FHA or VA.

This form is to be completed by the builder This guarantee is issued by the builder to the buyer This guarantee is not to be considered as a waiver of or in place of any legal rights or remedies that the buyer may have against the builder

FHA/VA Case No _____

Location of Structure(s) *(Street address, or Legal Description City State and Zip)* _____

Riverwalk at Arrowhead Building II 5, 1512 Lantern s Rest Road, Myrtle Beach, SC 29579

_____

Buyer's Name _____

The undersigned builder guarantees to the buyer and his or her successors, and assignees, that the structure at the location referenced above has been treated for subterranean termites by an application of a liquid termiticide The builder further guarantees that the applicator is a state licensed pest control company and that the product was applied in accordance with the product label and state requirements. All treatment materials and methods used compli with state and federal regulations.

The builder hereby guarantees that, if subterranean termite infestation should occur within 5 years from the date of treatment, the builder will ensure that a licensed or otherwise state authorized pest control company (where required by state law) or other qualified licensed pest control company retreat the soil, or at the option of the buyer use other EPA registered products, as necessary to control the infestation in the structure. This retreatment and application will be without cost to the buyer The builder further agrees to repair all damage by subterranean termites within the one year builder's warranty period. This guarantee does not apply to additions or alterations that are made which affect the original structure or treated soil. Examples include, but are not limited to, landscape and mulch alterations which disturb the chemical barrier and create new subterranean termite hazards, or interfere with the control measures.

If within the guarantee period the builder questions the validity of a claim by the buyer the claim will be investigated by an unbiased expert mutually agreeable to the builder and buyer The report of the expert will be accepted as the basis for disposition of the case. The non-prevailing party will pay the cost of any inspections made to investigate the claim.

Builder's Company Name: Heritage Communities, Inc. Phone No (843) 449 6200

Authorized Signature: _____ Date: 11 23 99

Attention Buyer You may have the option of having the pest control company which performed the treatment or another pest control company inspect the property annually for an additional fee. For further information, contact the pest control firm listed on the NPCA-99b.

Consumer Maintenance Advisory regarding Integrated Pest Management for Prevention of Wood Destroying Insects

Information regarding prevention of wood destroying insect infestation is helpful to any property owner interested in protecting the structure from infestation. Any structure can be attacked by wood destroying insects. Periodic maintenance should include measures to minimize possibilities of infestation in and around a structure. Factors which may lead to infestation from wood destroying insects include foam insulation at foundation, earth-wood contact) faulty grader firewood against structural insufficient ventilation moisture, wood debris in crawl space, wood mulch, tree branches touching structures, landscape timers, and wood rot. Should these or other such conditions exist, corrective measure should be taken by the owner in order to reduce the chances of infestations by wood destroying insects) and the need for *treatment*.

An original and one copy of this guarantee are to be prepared by the builder and sent to the lender The lender provides one copy to the buyer at closing and includes a copy in the VA loan package or HUD insurance case binder The builder sends one copy to the licensed pest control company which performed the treatment

Attached is a copy of the state authorized pest control company's New Construction Subterranean Termite Soil Treatment Record. VPC4-99b

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties (18 U.S.C 1001 1010, 1012; 31 U.S.C 372g, 3802) *Form VPC4 99a*

THIS FORM MAY NOT BE ALTERED

Forms VA 26-8375 and HUD-92032 are obsolete
(2/97)

New Construction Subterranean Termite Soil Treatment Record

This form is completed by the licensed Pest Control Company.

This report is submitted for informational purposes to the builder on proposed (new) construction cases where soil treatment for prevention of subterranean termite infestation is specified by the builder, architect, or required by the lender, architect, FHA, or VA.

All contracts for services are between the Pest Control Operator and builder unless stated otherwise.

Section 1: General Information *(Treating Company Information)*

Company Name: Terminix Service

Company Address: P O Box 1810 City: Conway State: SC Zip: 29528

Company Business License No.: B 0002122 Company Phone No.: (843) 234-0137

FHA/VA Case No. (if any): _____

Section 2: Builder Information

Company Name: Heritage Comm. Properties

Phone No.: (843) 446-7212

Section 3: Property Information

Location of Structure(s) Treated *(Street Address, or Legal Description, City, State and Zip)*: 4 Bay garage for Bldg #3 at Riverwalk Phase II

Type of Construction: ☒ Slab ☐ Basement ☐ Crawl ☐ Other _____
(More than one box may be checked)

Approximate Depth of Footings: Outside: 1 ft Inside: 1 ft Type of Fill: _____

Section 4: Treatment Information

Date(s) of Treatment(s): 11/16/99

Brand Name of Product(s) Used: Dursban TC EPA Registration No.: 464-862

Approximate Final Mix Solution %: .1

Approximate Size of Treatment Area
Sq. ft.: 1010 Linear ft.: _____ Linear ft. of Masonry Voids: 0

Approximate Total Gallons of Solution Applied: 150

Was treatment completed on exterior? ☐ YES ☒ NO

Service Agreement Available: ☒ YES ☐ NO
Note: Some state laws require service agreements to be issued. This form does not preempt state law.

Attachments *(List)*: _____

Comments: Final treatment to be done after landscaping is completed

Name of Applicator(s): Tom Johnson Certification No. of Applicator or Trainee: CA 011288

The applicator has used a product in accordance with the product label and state requirements. All treatment materials and methods used comply with state and federal regulations.

Authorized Signature: John Sharpe Date: 11/17/99

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802) Form NPCA-99b

THIS FORM MAY NOT BE ALTERED. (1997)

Form VA-26-8276 and HUD-92563 are obsolete

Building Condition Assessment

for

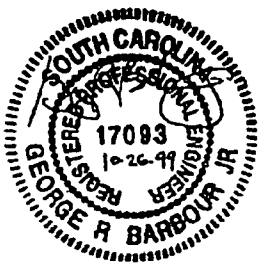
Riverwalk, Myrtle Beach, South Carolina

Prepared for

The Noble Company of South Carolina L.L.C.
Myrtle Beach, South Carolina

Prepared By

Kimley-Horn and Associates, Inc.
4607 Franklin Avenue, Suite 227
Wilmington, North Carolina 28403
(910) 792-1040

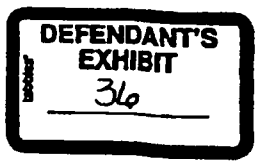


George R. Barbour, Jr., P.E.

Anthony J. Giacoia, E.I.T.

018044003

October, 1999



Executive Summary .. 1

1 Introduction .. 1

1 1 Scope of Services .. 1

1 2 Field Procedure .. 1

1 3 Report .. 2

2 Summary of Observations and Findings .. 3

2 1 Site/Civil .. 3

2 2 Pavements .. 3

2 3 Foundations and Structures .. 3

2 4 Exterior Façade of Building .. 4

2 5 Roofing .. 4

2 6 Americans With Disabilities Act (ADA) Compliance 5

3 Recommended Maintenance .. 5

3 1 Exterior Facade .. 5

3 2 Roofing .. 6

3.3 ADA Compliance .. 6

3 4 Other Recommendations .. 6

4 Closure .. 7

Appendix A

Table-1 – Building Condition Assessment – Riverwalk

Appendix B

Photographs

Executive Summary

This report documents the findings of a condition assessment performed by Kimley Horn and Associates Inc (KHA) at Riverwalk, which is located off Burcale Road in Myrtle Beach, South Carolina This assessment was performed for The Noble Company of South Carolina in order to satisfy the requirements of the Master Deed in effect at this development. The assessment included the visual evaluation of exterior building envelopes and site features.

The villa buildings at Riverwalk are wood framed three-story buildings with four units per floor The existing villas were constructed in 1998 and 1999; new construction was underway during the site visit.

The evaluation at Riverwalk included 14 villa buildings and a pool/bath house The general condition of the building and surrounding site and pavements is good Recurring problem areas include some standing water in the parking area, insufficient sealant around windows, doors, and wood/brick joints, and evidence of moisture intrusion in exterior porch ceilings

1 Introduction

1 1 Scope of Services

KHA performed a visual and photographic inspection of Riverwalk on Wednesday October 6 1999 The purpose of this investigation was to assess the condition of the exterior building envelope and the surrounding landscaping and pavements An assessment of the condition of the interiors of the buildings was not performed. No environmental hazardous material, mechanical system assessment, or destructive or intrusive testing was performed The evaluations of all buildings were made from the exterior and from the ground level

1 2 Field Procedure

The assessments at Riverwalk consisted of a visual inspection of the following element categories for each building

- Civil/Site Development
- Pavements
- Foundations and Structures
- Exterior Façade of Building
- Roofing

  Compliance with the American Disabilities Act (ADA)

ROA_1696

APP_1707

Each category consists of several elements For example, the Site/Civil category includes an evaluation of the building's sidewalks lighting, landscaping, and drainage A site investigation checklist form was used to record the findings of the assessment. Photographs were taken to document the condition of exterior building and site elements

Prior to the building evaluation, a meeting was held with the property supervisor at each location to discuss specific issues or problem areas

1 3 Report

This report serves to summarize the findings of the condition assessment performed at Riverwalk and to provide recommendations for the maintenance of the buildings at each site

Section-2 provides a summary of the observations and findings on the basis of building element category This summary describes repair or maintenance issues that are common to many buildings at the site or an element that is in poor or critical condition Table-1 in Appendix A details the evaluation of the condition of each building at Riverwalk.

For the purpose of this report, the terms used to describe the condition of site features or elements are defined as follows

- Good *No repairs anticipated within the next 5 years*
- Fair *Minor routine maintenance anticipated within the next 5 years*
- Poor - *Significant repairs required within the next 5 years*
- Critical - *Repairs presently needed*

For the purpose of this report, the terms used to describe the functional performance of site features or elements are defined as follows

- Adequate - *The condition appears to meet the generally accepted standards in the industry for function*
- Inadequate *The condition may not meet the generally accepted standards in the industry for function and may require evaluation beyond the scope of this contract*

Photographs representing site features building systems, and specific problems observed are included in Appendix B Photographs are referenced as (P-1, 2, -3) which refers to photographs 1 2, and 3

Section 3 provides a list of the recommended maintenance items for the next 12-month period.

ROA_1697

APP_1708

2 *Summary of Observations and Findings*

This section provides a summary of the observations and findings for the buildings at Riverwalk. Refer to Table 1 in Appendix A for a list of specific concerns at each building

2 1 Site/Civil

This section summarizes the evaluation of the building s sidewalks lighting, landscaping, and drainage Riverwalk currently consists of 14 villa buildings and a pool/bath house The buildings were constructed in 1998 and 1999 The general condition of the building and surrounding site and pavements is good

The sidewalks consist of 4 concrete along the parking area and a variable-4 concrete walkway to the building breezeway The condition of the sidewalks is generally good Building 9 has a ten-foot section of sidewalk with multiple deep cracks (P-1) Site lighting included street lights in the parking area and door lights at the unit entrances, and appears to be adequate (lighting was not viewed at night) The property is well landscaped

The site drains via sheet flow to the golf course, drainage canal, or directly to the Waccamaw River (all located behind the buildings) Site drainage is poor in some locations, with the presence of saturated soil The area between the pool and Building-3 reportedly floods A yard inlet was observed between Buildings-3 and 4 The site grade is elevated above the porch floor at the southeast corner of Building 3

2 2 Pavements

This section describes the evaluation of pavement cracks, overall pavement condition, and pavement drainage for each building at Riverwalk. Pavements consist of bituminous concrete drive isles and parking bays with concrete curb Dumpster pads are Portland cement concrete No pavement cracks were observed The pavements are in good condition with good pavement markings

Some surface staining was noted on pavement and concrete curbs due to water leaching from adjacent soil Water in the parking areas and driveway drains to drop inlets located at several locations at the center of the driveway Drainage appears to be adequate however in several locations evidence of ponding water was observed in the parking area or driveway In front of Building 3 the asphalt adjacent to the sidewalk is stripping (P-2)

2 3 Foundations and Structures

This section summarizes the condition of the foundation, based on external observation. Construction documentation was not available for review The condition of wall and roof framing systems was not assessed The foundations are likely continuous concrete spread footings at exterior load-bearing walls, and

isolated concrete spread footings or thickened slab at columns Foundation walls and columns piers are masonry In general there is no visible evidence of structural distress in the buildings at Riverwalk. All structures are in good condition and appear adequate

At Building 4 the joints at the ceiling of one first floor column appear to be spreading At Building-8 there is a large gap between the column pier and brick foundation at the front of the building

2 4 Exterior Façade of Building

This section describes the condition of windows and doors, the condition of sealant and paint, evidence of extensive moisture intrusion, and the condition of façade components such as fascia and soffit.

The exterior envelopes of the villa buildings at Riverwalk are composed of brick façade on the building sides; brick on the first level and painted fibercement siding on the second and third floors along the front of the building, brick on all three levels at the building rear with painted fibercement siding on exterior porch walls Soffit is vented, painted, aluminum, and fascia is painted aluminum Garages, Pool House, and Bath House exterior wall is entirely painted fibercement siding with vented, painted, aluminum soffit and painted aluminum fascia. Doors are aluminum clad and painted, and windows are vinyl-clad.

The windows and doors are generally in good condition However the window frame sealant and door sealant observed for most buildings are inadequate. In some buildings, window frame sealant was not present; in others the sealant was cracked. Some tenants have reported leaks around windows in the interior of the units In many locations door frame/threshold sealant was not present or was cracked

In most buildings water stains and/or mildew was observed on the ceilings of the rear and corner porches (P 3), especially in the vicinity of columns In some cases this was accompanied by cracks in the gypsum board ceiling and peeling paint. Evidence of moisture intrusion on the second and third floor breezeway ceilings (at the front of buildings) especially near the columns, was also observed (P-4).

Gaps into the interior of the brick façade were observed in the vicinity of utilities and the electric meter panel located at the side of each building (P-5)

2 5 Roofing

This section summarizes the condition of the roofing and drainage structures. This includes a ground-level visual assessment of the roofing shingles flashing, and downspouts and gutters

The roofs of all buildings feature ELK Prestique II architectural roof shingle, dark gray with a four-way pitch a ridge vent, and a continuous drip strip All villa buildings have gutters along the front with downspouts at both ends some

villas also have gutters along the sides and rear of the building The roof shingles and gutters are in good condition and are appear to be adequate

At Buildings-1 2 and 4 roof shingles were observed to be missing or had sustained minor damage Due to a lack of a splash block or downspout extension, most buildings were observed to have a small depression at the downspout due to erosion of the soil

2 6 Americans With Disabilities Act (ADA) Compliance

Assessment of ADA compliance is restricted to an evaluation of parking accessibility the ratio of handicap-accessible (H/A) to total parking spaces and accessibility to the building.

Regulations for sites with 1 to 25 vehicles require a minimum of 1 handicap-accessible space with 1 in every 8 accessible spaces being van accessible Handicap-accessible spaces should be at least 96 inches wide and should feature an adjacent isle at least 60 inches wide. Van-accessible spaces should also be at least 96 inches wide but require an adjacent isle of at least 96 inches Spaces should be appropriately identified through the use of pavement markings and signage Accessible spaces should be distributed throughout the site but located as close as possible to the intended destination.

Several buildings do not have designated H/A parking and/or ramps to access the sidewalk from the parking area (Buildings-7 10 11 12, 13, 14) All other H/A spaces meet the ADA requirement for van access, and feature asphalt ramps to access building sidewalks All H/A parking spaces are missing signage

3 Recommended Maintenance

This section summarizes the recommended maintenance items that should be addressed in the next twelve months, as well as other recommendations based on observations and assessment of the facilities at Riverwalk. These recommendations are based on the limited visual investigation performed In some cases, additional evaluation may be necessary to correct the condition

The following maintenance items are recommended for the next 12-month period, broken out by element category

3 1 Pavement

Repair areas of standing water

3 2 Exterior Facade

- Repairs are required in the following areas
  - Window frame – add/repair seals at all window frame joints

- Door-frame/threshold – add/repair all joints around door and at threshold
- Column base – add sealant to all joints between columns and brick foundation walls/piers
- Porch/breezeway – repair leaks in porch and breezeway waterproofing
- Utility gaps – fill gaps in the brick in the vicinity of utility conveyances into the building

- Address leaks around windows at those units with reported problems
- Repair and repair cracks in exterior gypsum boards, where needed
- Replace/repair fascia and soffit where needed
- Pressure wash exterior

3 3 Roofing

- Address missing or damaged shingles
- Fill depressions in the soil at gutter downspouts and provide splash blocks or downspout extensions

3 4 ADA Compliance

- Designate H/A parking and aisles where needed with proper pavement marking
- Add proper signage to all designated H/A spaces

3 5 Other Recommendations

Drainage/grading in the vicinity of Pool 1/Bath House should be evaluated further to determine the cause of ponding and flooding in the vicinity of these buildings Grade is elevated above the floor elevation behind Building 3 (S side), soil should be removed and re graded in this area.

Resurfacing of certain portions of the drive/parking area may be required to prevent standing water and related long term damage to the pavement.

The water intrusion evident on the rear porch ceilings on the first and second floors of most villa buildings should be analyzed further to determine the specific cause, and course of action The water damage was noticed on older as well as newer buildings

Gutters could be installed at the sides and rear of the villa buildings to reduce the accumulation of water in the vicinity of the villa buildings In addition adding splash blocks or extensions to downspouts should remedy the erosion of soil at these locations

4 *Closure*

This report has been prepared in accordance with the professional standard of care of Kimley Horn and Associates, Inc No other warranties or guarantees, express or implied, are made or intended This report has been prepared solely for The Noble Company for the purpose stated herein and should not be relied upon by any other party or for any other purpose. Specifically, this report may not be used in connection with actual renovation or construction of any kind. The conclusions in this report are based on the limited investigation described above Any reliance on this report by any party other than The Noble Company shall be without liability to Kimley-Horn and Associates Inc or its employees.

K:\FW\18044003\Riverwalk.doc

Appendix A

Table-1 – Building Condition Assessment – Riverwalk

Client: The Noble Company
Job Number: 018044003

Table 1
BUILDING CONDITION ASSESSMENT
Riverwalk
Assessment Date: 10/6/99

Kimley-Horn and Associates Inc.
1607 Franklin Ave Suite 227
Wilmington, NC 28403

Category	Condition	Bldg 1	Bldg 2*	Bldg 3*	Bldg 4	Bldg 5	Bldg 6	Bldg 7	Bldg 8	Bldg 9*	Bldg 10	Bldg 11	Bldg 12	Bldg 13	Bldg 14	Bldg 15	Pool I/Bath House
	ADDRESS (Riverwalk Drive)	679	683	687	691	695	699	703	705	706	702	698	694	690	686	682	
CIVIL/SITE																	
	Minor cracks or damage in sidewalk									x							
	Surface staining on sidewalk			x													
	Site trees leaning										x						
	Surface grade above siding																
	Poor drainage with saturated soil			x	x									x			
	Poor drainage with standing water																x
PAVEMENTS																	
	Surface staining on pavement and/or curb																
	Standing water (or evidence) in parking area	x	x	x						x						x	
EXTERIOR FAÇADE																	
	Window frame sealant missing/cracking	x	x	x				x									
	Window-facade sealant missing/cracking																
	Door-frame/threshold sealant missing/cracking	x	x		x	x	x										
	Evidence of moisture intrusion on ceilings																
	Rear porches 1rst and/or 2nd floors	x	x	x	x		x	x	x	x	x	x	x	x	x	x	
	Front walkways, 1rst and/or 2nd floors	x						x	x	x							
	Loose siding																
	Loose wires at bldg front																
	Cracks in ceiling gypsum boards																
	Rear porches		x														
	Front walkways										x						
	Loose/missing fascia/soffit panel(s)		x			x			x								x
	Stained soffit panels		x	x													
	Gaps into int at utility conveyance or meter panel			x								x		x			
	Requires pressure wash	x	x	x		x	x										
ROOFING																	
	Shingles missing or damaged (minor)	x	x		x												
	Erosion/standing water at gutter downspouts	x	x	x		x	x						x		x		
ADA COMPLIANCE																	
	H/A parking does not meet ADA code for size																
	H/A parking missing sign	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	
	No H/A parking and/or ramp								x		x	x	x	x	x		

APP_1715

ROA_1704

Client The Noble Company
Job Number 016044003

Table 1
BUILDING CONDITION ASSESSMENT
Riverwalk
Assessment Date 10/6/99

Kimley-Horn and Associates Inc.
4507 Franklin Ave Suite 227
Wilmington, NC 28403

ADDITIONAL NOTES

Bldg 1
- Roof shingles damaged/missing at NE end at edge of roof

Bldg 2
- One section of fascia at rear of bldg is loose
- Roof shingles slightly damaged at edges

Bldg 3
- Asphalt pavement is stripping along sidewalk
- Water is ponding in parking area along sidewalk at some locations
- Section of fascia at rear of bldg is missing

Bldg 4
- Joints spreading at column at first floor at ceiling
- Shingles on ridge vent pulling up minor damage to shingles along edge at rear

Bldg 5
- Soffit is loose and hanging at rear of bldg
- Large section of fascia missing on N side

Bldg 6
- Large gap between column and brick foundation at bldg front
- Moisture staining on ceiling in stairwell S side
- Door frames separating from brick at top
- Loose fascia at rear of bldg
- No H/A parking in the vicinity of Bldg 6

Bldg 9
- Multiple deep cracks in a 10 section of sidewalk in front of bldg
- H/A parking spot is not identified with pavement paint

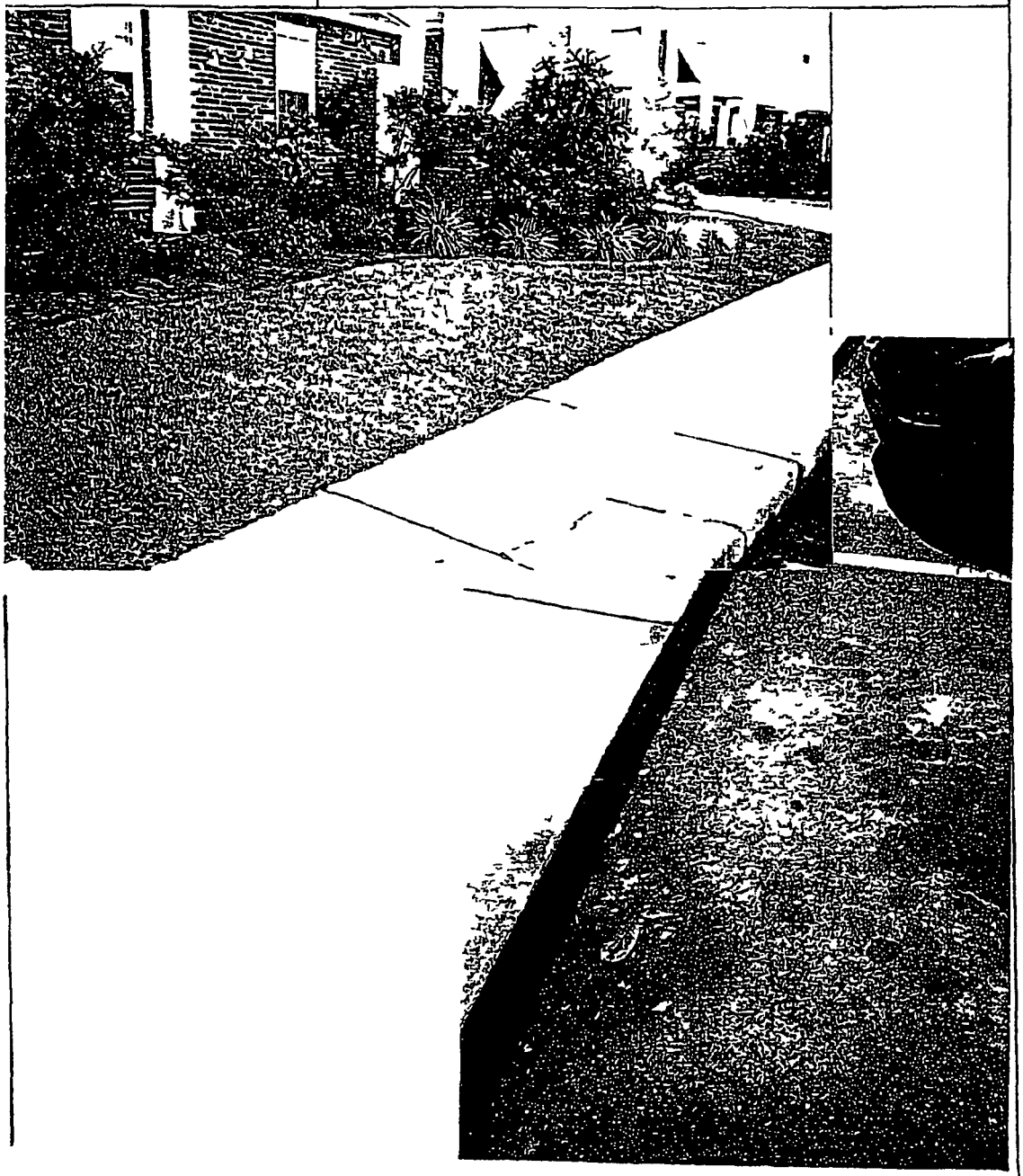
Pool 1/Bath House
- Located behind Bldg 3 and 4
- Ponding of water occurs between pool area and Bldg 3
- Sections of both fascia and soffit are missing

APP_1716
ROA_1705

Kimley-Horn and Associates, Inc.

Project: Riverwalk
Title: The Noble Company

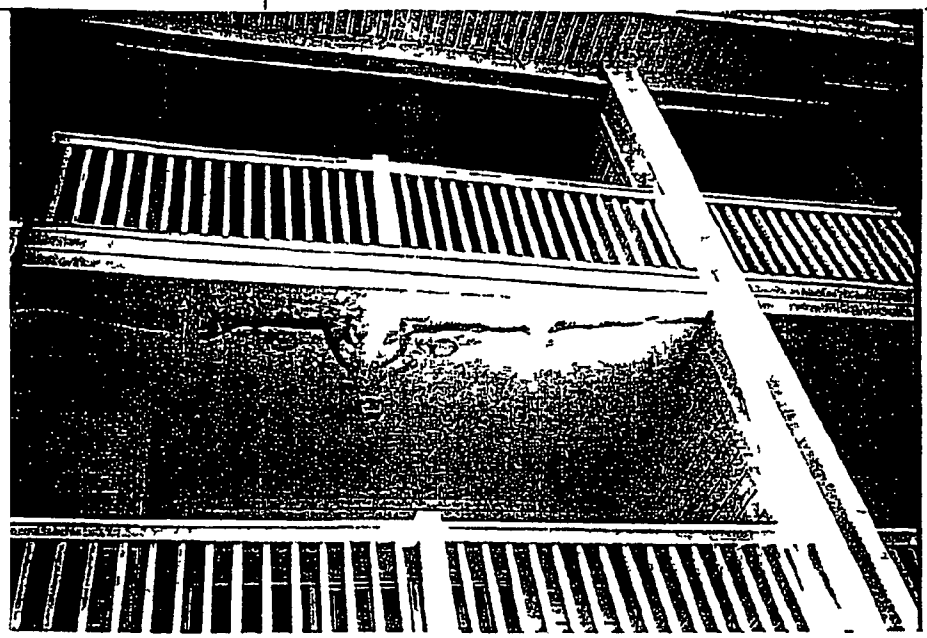
Prepared by: G R Barbour
Job Number: 018044003
Sheet 1 of 3

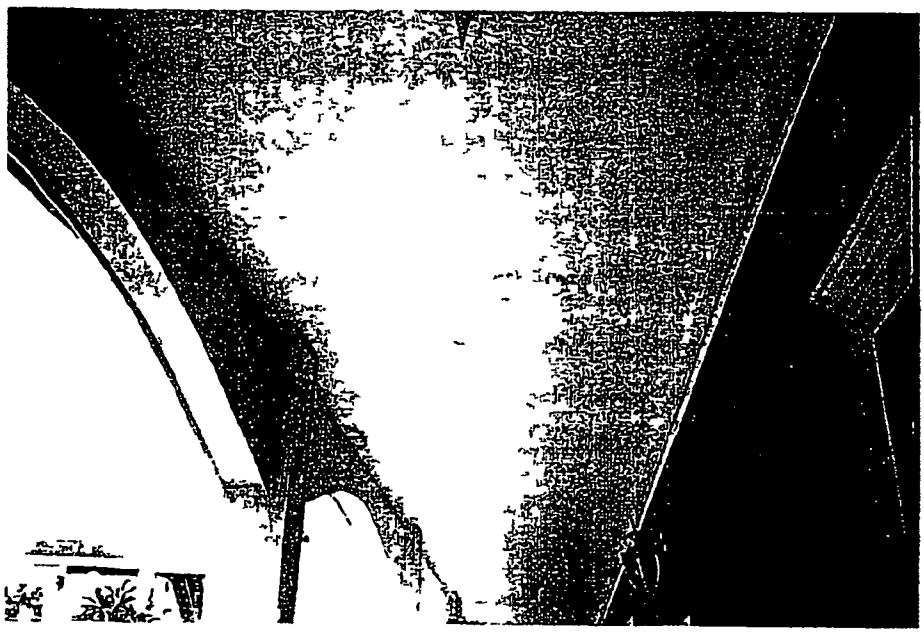


#1 P-1 (top) Cracks in sidewalk in front of Bldg. 9
P-2 (bottom) Pavement stripping along curb in front of Bldg 3

Kimley Horn and Associates, Inc.

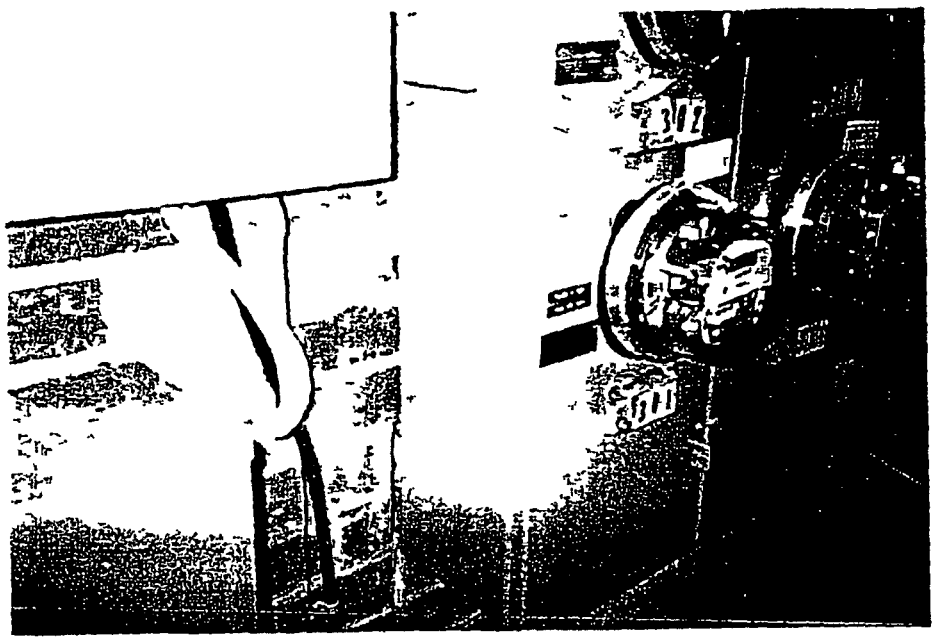
Project	Riverwalk	Prepared by	G R. Barbour
Title	The Noble Company	Job Number	018044003
		Sheet	2 of 3





#2 –P 3 Bldg. 2 Staining at rear porch ceiling
P-4 Bldg. 8 Water/mildew stains on 1st floor breezeway

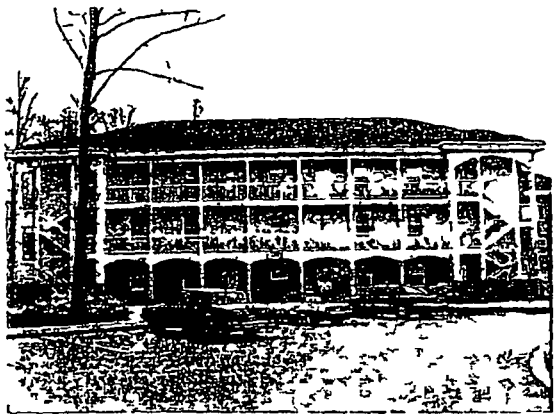
Kimley Horn and Associates Inc.	Project: Riverwalk	Prepared by: G R Barbour
	Title: The Noble Company	Job Number: 018044003
		Sheet 3 of 3



#3 – P 5 Bldg 2 Gap between electrical meter panel and brick facade.

Kimley-Horn
and Associates, Inc

Annual Maintenance Survey
Riverwalk at Arrowhead Golf Club
Myrtle Beach, South Carolina





Prepared for
The Noble Company of South Carolina, L L C
1211 48th Avenue North
Myrtle Beach, South Carolina 29577

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DEFENDANT'S EXHIBIT 37

Annual Maintenance Survey

for

Riverwalk at Arrowhead Golf Club

Myrtle Beach, South Carolina

Prepared for

The Noble Company of South Carolina L.L C
Myrtle Beach, South Carolina

Prepared By

Kimley-Horn and Associates, Inc.
4607 Franklin Avenue, Suite 227
Wilmington, North Carolina 28403
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George R. Barbour, Jr., P.E.

SOUTH CAROLINA
KIMLEY HORN AND ASSOCIATES, INC.
NO C00166
CERTIFICATE OF AUTHORIZATION

Anthony J Giacona

SOUTH CAROLINA
REGISTERED PROFESSIONAL ENGINEER
17093
4201
GEORGE R. BARBOUR, JR.

018044007

March 2001

ROA_1711

Table of Contents

Executive Summary 1

1 Introduction 1

1 1 Scope of Services 1

1 2 Field Procedure 1

1 3 Report 2

2. Summary of Observations and Findings 2

2 1 Site/Civil 3

2.2. Pavements 3

2.3 Foundations and Structures 4

2 4 Exterior Façade of Building 4

2.5 Roofing 5

2.6 Americans With Disabilities Act (ADA) Compliance 5

3 Recommended Maintenance 6

3 1 Civil/Site 6

3 2. Pavement 6

3 3 Exterior Facade 6

3 4 Roofing 7

3.5 ADA Compliance 7

3 6 Other Recommendations 7

4 Closure 8

Appendix A

Table 1 – Building Condition Assessment Summary – Riverwalk

Additional Building Comments

Appendix B

Photograph Log

Photographs

Executive Summary

This report documents the findings of the second maintenance survey performed by Kimley Horn and Associates, Inc (KHA) at Riverwalk at Arrowhead Golf Club (Riverwalk) which is located off Burcale Road in Myrtle Beach South Carolina. This annual assessment was performed for The Noble Company of South Carolina in order to satisfy the requirements of the Master Deed in effect at this development. The assessment included the observation of visible exterior building envelopes and site features

The assessment at Riverwalk included 19 villa buildings and three pool/bath houses Seventeen buildings and the three pools evaluated were built under the first phase of the development, and are located along Riverwalk Drive Two additional buildings are part of the second phase of the Riverwalk development, and are located along Lantern s Rest Road. The villa buildings at Riverwalk are wood-framed three story buildings with four units per floor The existing Phase I villas were constructed in 1998 and 1999 and the Phase II buildings were constructed in 2000

The general condition of the building and surrounding site and pavements is good. Recurring problem areas include poor site drainage with saturated or standing water standing water in parking areas or drive aisles evidence of moisture intrusion in exterior breezeway and porch ceilings and unsealed utility penetrations

1 Introduction

1 1 Scope of Services

KHA performed a visual and photographic survey of Riverwalk at Arrowhead Country Club (Riverwalk) on March 13 2001 The purpose of this survey was to assess the condition of the exterior building envelope and the surrounding landscaping and pavements An evaluation of the condition of the interiors of the buildings was not performed. No environmental, hazardous material, mechanical systems assessment, or destructive or intrusive testing was performed The evaluations of all buildings were made from the exterior and from the ground level and second and third floor breezeways

1 2 Field Procedure

The assessments at Riverwalk consisted of a visual survey of the following element categories for each building

Civil/Site Development
Pavements
Foundations and Structures

Exterior Façade of Building

Roofing

Compliance with the American Disabilities Act (ADA)

Each category consists of several elements For example the Site/Civil category includes an evaluation of the building s sidewalks, lighting, landscaping and drainage. A site investigation checklist table was used to record the findings of the assessment Photographs were taken using digital cameras to document the condition of exterior building and site elements Prints of all photographs are included with this report (see Appendix B)

Prior to the building evaluation a meeting was held with Ann Hutchinson, the property supervisor at Riverwalk, to discuss specific issues or problem areas

1 3 Report

This report serves to summarize the findings of the annual maintenance survey performed at Riverwalk and to provide recommendations for the maintenance of the buildings there

Section-2 provides a summary of the observations and findings on the basis of building element category This summary describes repair or maintenance issues that are common to many buildings at the site, or an element that is in poor or critical condition Section-3 provides a list of the recommended maintenance items for the next 12 month period

Table 1 in Appendix A lists the specific fair poor or critical concern elements (as defined in Section 2) at each building at Riverwalk Also in Appendix A is a list of building specific comments related to features or problem areas

Photographs representing site features building systems and specific problems observed are included in Appendix B Photographs are referenced in this report as (P 1 2 3) which refers to photographs 1 2 and 3 etc

2 Summary of Observations and Findings

This section provides a summary of the observations and findings for the villa buildings and site features at Riverwalk Refer to Appendix A for a listing of specific concerns at each building

For the purpose of this report the terms used to describe the condition of site features or elements are defined as follows

Good *No repairs anticipated within the next 5 years*

Fair *Minor routine maintenance anticipated within the next 5 years*

Poor *Significant repairs required within the next 5 years*

Critical - *Repairs presently needed – potential safety hazard*

For the purpose of this report the terms used to describe the functional performance of site features or elements are defined as follows

Adequate *The condition appears to meet the generally accepted standards in the industry for function*

Inadequate - *The condition may not meet the generally accepted standards in the industry for function and may require evaluation beyond the scope of this contract*

2 1 Site/Civil

This section summarizes the evaluation of the building s sidewalks lighting landscaping, and drainage Riverwalk currently consists of 19 villa buildings and three pool/bath houses (one pool is enclosed) All of the buildings were evaluated for this report (i e., 670 through 706 Riverwalk Drive and 1512 and 1514 Lantern s Rest Drive) The Phase I buildings (on Riverwalk Drive) are approximately two to three years old and the Phase II buildings (on Lantern s Rest Road) are about a year old The general condition of the building and surrounding site is good The condition of the pavement in several areas is poor or critical. There are areas of standing water pavement failure, and missing wearing course.

The sidewalks consist of 4 concrete along the parking area and a variable-4 concrete walkway to the building breezeway The condition of the sidewalks is generally good Building-9 has a ten-foot section of sidewalk with multiple deep cracks (P 32) Site lighting included street lights in the parking area and door lights at the unit entrances and appears to be adequate (lighting was not viewed at night) The property is well landscaped.

General site drainage occurs via sheet flow to the golf course drainage canal or directly to the Waccamaw River (all located behind the buildings) Immediate site drainage is poor in most locations, with the presence of saturated soil or standing water (P 5 8 36 37 58) Drainage around Buildings-8 9 and 10 is reportedly a concern A yard inlet was observed between Buildings 3 and 4 The site grade slopes towards the building at Buildings-4 7 8 10 11 and Pool 3/Bath House. The site grade is elevated above the porch floor at Buildings-4 and 10 (P 13)

2 2 Pavements

This section describes the evaluation of pavement cracks, overall pavement condition and pavement drainage for each building at Riverwalk. Pavements consist of bituminous concrete drive isles and parking bays with concrete curb Dumpster pads are Portland cement concrete Water in the parking areas and drive aisles drains to drop inlets located at several locations at the center of the drive aisles

No pavement cracks were observed The pavements are in good condition except at Buildings 15 16 and 17 At these locations the wearing (finish) course

is missing and there is general pavement failure (P 52 53 79) At many locations the pavement markings are fading or missing.

Some surface staining was noted on pavement and concrete curbs due to water leaching from adjacent soil Drainage generally appears to be adequate however in numerous locations ponding water was observed in the parking areas or drive aisles (P 5 21 34 47) There was a large deep area of ponding water at the entrance to the parking area in front of Bldg 17

2 3 *Foundations and Structures*

This section summarizes the condition of the foundation based on external observation Construction documentation was not available for review The condition of wall and roof framing systems was not assessed The foundations are likely continuous concrete spread footings at exterior load bearing walls, and isolated concrete spread footings or thickened slab at columns Foundation walls and column piers are masonry

In general there is no visible evidence of structural distress in the buildings at Riverwalk. All structures are in good condition and appear adequate

2 4 *Exterior Façade of Building*

This section describes the condition of windows and doors the condition of sealants and paint, evidence of extensive moisture intrusion and the condition of façade components such as fascia and soffit

The exterior envelopes of the villa buildings at Riverwalk are composed of brick on the first level and painted fibercement siding on the second and third floors along the front of the building brick façade on the building sides brick on all three levels at the building rear with painted fibercement siding on exterior porch walls (P 1 2, 3 4) Soffit is vented, painted, aluminum and fascia is painted aluminum. Garages, Pool House, and Bath House exterior walls are entirely painted fibercement siding with vented, painted, aluminum soffit and painted aluminum fascia. Doors are aluminum clad and painted and windows are vinyl clad

The windows and doors are generally in good condition window frames do not have weep holes Window/door frame sealant and window façade sealant was present and adequate at most locations At many locations caulk was missing or insufficient at brick trim joints at column bases and at brick mold penetrations at landings

In some buildings, water stains and/or mildew was observed on the ceilings of the rear and corner porches (P 38, 44 59) especially in the vicinity of columns In some cases this was accompanied by cracks in the gypsum board ceiling and peeling paint Evidence of moisture intrusion and cracks on the second and third floor breezeway ceilings (at the front of buildings) especially near the columns was also observed (P 23 40 64 70) Since the buildings were painted last year

and pressure washed recently evidence of moisture intrusion reported by residents or observed in the previous assessment at other ceiling locations was not readily noted. Therefore, the underlying cause for the moisture intrusion at these locations may still be present

Gaps into the interior of the brick façade were observed in the vicinity of utility penetrations such as hose bibbs (P 7 19) electric meter bases (P 30) and HVAC penetrations (P 10 22 54) located at the side of each building This condition was observed at most buildings.

The handrails along the front breezeways (PVC) and staircases (aluminum) are loose at several locations and represent a potential safety hazard Starting with Building 9 the center posts of the breezeway PVC handrails do not extend to the ceiling. The PVC handrails are very flexible at these buildings especially at the center post The building code requires that handrails resist a 200-pound point load or a 50-pound/foot distributed load the PVC handrails may not be a able to resist the code loads and therefore may present a potential safety hazard

2 5 Roofing

This section summarizes the condition of the roofing and drainage structures. This includes a ground-level visual assessment of the roofing shingles, flashing and downspouts and gutters

The roofs of all buildings feature ELK Prestique II architectural roof shingle, dark gray with a four way pitch a ridge vent, and a continuous drip strip All villa buildings have gutters along the front with downspouts at both ends some villas also have gutters along the sides and rear of the building The roof shingles and gutters are in good condition and are appear to be adequate

Due to a lack of a splash block or downspout extension some buildings were observed to have a small depression at the downspout due to erosion of the soil

2 6 Americans With Disabilities Act (ADA) Compliance

Assessment of ADA compliance is restricted to an evaluation of parking accessibility the ratio of handicap-accessible (H/A) to total parking spaces and accessibility to the building

Regulations for sites with 1 to 25 vehicles require a minimum of 1 handicap-accessible space with 1 in every 8 accessible spaces being van-accessible Handicap-accessible spaces should be at least 96 inches wide and should feature an adjacent isle at least 60 inches wide. Van-accessible spaces should also be at least 96 inches wide but require an adjacent isle of at least 96 inches Spaces should be appropriately identified through the use of pavement markings and signage Accessible spaces should be distributed throughout the site but located as close as possible to the intended destination

Certain buildings do not have designated H/A parking, or have steps in the walkway that runs from the H/A space to the building All other H/A spaces

meet the ADA width requirement for van access and feature asphalt ramps to access building sidewalks. However ADA requirements state that the ramps should not extend into the access aisle. Although H/A signs are present the signs should be mounted high enough so that the sign can be seen when a vehicle is parked in the space. The sign should also say Van Accessible," along with the international symbol of accessibility

3 Recommended Maintenance

This section summarizes the recommended maintenance items that should be addressed in the next twelve months as well as other recommendations based on observations and assessment of the facilities at Riverwalk. These recommendations are based on the limited visual survey performed In some cases additional evaluation may be necessary to correct the condition Any design or further investigation necessary to perform these repairs are beyond the scope of this project.

The following maintenance items are recommended for the next 12 month period, broken out by element category

3 1 Civil/Site

- Remove any landscaping from around the base of the HVAC units.

  Re-grade areas around the buildings to improve drainage.

3 2 Pavement

Repair failed or damaged pavement areas

A proper asphalt finish (wearing) course should be installed where missing to prevent additional damage to the asphalt base course and stone subbase, and to improve drainage to the drop inlets

Correct drainage problems at the entrance near Bldg. 17

Re-stripe pavement markings as needed.

Monitor asphalt pavement condition for further degradation (especially where pavement cracks were observed)

3 3 Exterior Facade

Tighten all loose PVC handrail brackets – install screws that engage the wood columns.

Repairs/sealant are required in the following areas

- Column base – add sealant to all joints between columns and brick foundation walls/piers
- Porch/breezeway – repair leaks in porch and breezeway waterproofing

- Utility gaps – mortar gaps in the brick in the vicinity of utility conveyances into the building (i e hose bibbs, HVAC penetrations and around electrical meter bases)
- Brick/trim joints – add sealant where missing or insufficient
- Brick mold penetrations – add sealant to joints

Repair cracks and paint exterior gypsum boards (front breezeways and rear porches) where needed.

Remove soil in the vicinity of the condensate drains

- Replace/repair fascia and soffit where needed
- Pressure wash exterior as needed

3 4 Roofing

Fill depressions in the soil at gutter downspouts and provide splash blocks or downspout extensions (as needed) to reduce erosion of soil at these locations.

3 5 ADA Compliance

Designate H/A parking and aisles where needed or faded with proper pavement marking.

Add proper signage to all designated H/A spaces

3 6 Other Recommendations

- Resurfacing of other portions of the drive/parking area may be required to prevent standing water and related long term damage to the pavement

The water intrusion evident on the front breezeway and rear porch ceilings on the first and second floors of some villa buildings should be analyzed further to determine the specific cause, and course of action Any staining noted on third story roofs may be indicative of roof leaks, which should also be investigated and corrected The water damage was noticed on older as well as newer buildings.

The PVC handrails used along the second and third floor breezeways and rear porches should be investigated further to determine code-compliance with deflection or load criteria. The connection of these rail systems should comply with the manufacturers requirements and should engage the underlying wood columns

Gutters could be installed at all elevations to reduce the accumulation of water in the vicinity of the villa buildings especially those with drainage problems

Grade is elevated above the porch floor elevation behind several buildings soil should be removed and re graded in these area

Kimley-Horn
and Associates Inc

RIVERWALK
ADDITIONAL BUILDING COMMENTS

Bldg. 1
1 Gutters at front of bldg only
2 Extensions added to gutter downspouts (no erosion)

Bldg. 2
1 Gutters at front of bldg only downspout needs splash-block or extension
2 Gap at hose bibb penetration and beneath electrical meter base
3 Standing water at left side of bldg.
4 Cracked handrail bracket
5 Missing section of drip strip at rear elevation

Bldg. 3
1 Gutters at front and rear of bldg only
2 Extensions added to gutter downspouts (no erosion)
3 Gap in façade at A/C penetration
4 Damaged fascia and drip strip at rear elevation
5 No caulk at column bases or porch-wall intersections
6 Saturated soil on left side
7 Loose handrail right staircase, third floor

Bldg. 4
1 Gutter along front of bldg only (with extensions)
2 Grade slopes towards bldg at rear
3 Ground saturated at rear (poor drainage at rear)
4 Erosion of soil at left rear corner
5 Loose handrail, second floor staircase

Bldg. 6
1 Cracks in ceiling of third floor breezeway

Bldg. 7
1 Gutters at front, right, and left sides of bldg
2 Grade slopes towards bldg at front and left side
3 Large gap at staircase landing-wall intersection
4 Weep holes filled with foam sealant (should be removed)
5 Large gap at column-ceiling intersection at third floor breezeway

Bldg. 8
1 Gutters at front and right sides of bldg.
2 Painting of exterior trim, windows, and doors in process at time of investigation

Bldg. 9
1 Gutters at front right, and left sides of bldg with downspout extensions
2 Large sidewalk cracks

3 Poor drainage at front of building (saturated/standing water)
4 Excessive deflection of breezeway handrails (center post does not extend to ceiling)

Bldg. 10
1 Gutters at front right and left sides of bldg with downspout extensions
2 Poor drainage at front of building (saturated/standing water)
3 Ceiling stains first floor porch ceiling
4 Column base separating, rear elevation
5 Cracked trim piece, front column

Bldg 11
1 Poor drainage with saturated soil between Bldgs 11 and 12
2 Poor drainage at right side of bldg.
3 Condensate line is buried
4 Bldg. is not handicap-accessible (staircase in front of bldg)
5 Loose handrails second and third floor breezeways and staircases

Bldg 12
1 Water meter cover does not fit properly (trip/fall hazard)
2 Exposed irrigation system wiring (shock hazard)
3 Bldg is not handicap-accessible (staircase in front of bldg)
4 Loose handrails at staircases

Bldg. 13
1 There is a loose handrail at the landing outside unit 304
2 HVAC unit covered with landscaping

Bldg 17
1 Joint sealant at brick window intersection was present of rear elevation however gaps were noted in several locations

Pool 1/Pool House
1 Crack in concrete floor
2. Grade above siding

Pool 2/Pool House
1 The sliding glass door leading to the pool area from the pool house is very difficult to operate

Pool 3/Pool House
1 There is no handicap access to pool from parking area.
2 The bottom of building foundation is exposed on north elevation
3 Pool equipment was operating at the time of our site visit.
4 There was no swim at your own risk' or other regulatory signs posted at the pool area
5 There was a commercial ring buoy at the site however there was no rescue hook or pole

Post Office Building in Front of Bldg 15
1 The grade at site around post office building is above the finish floor of the building and the fiber cement board siding is below grade

Bldg. 3 (Phase II)

1 The paint on the ceiling on the rear balconies and front walkways is not sufficient to cover the underlying material It appears that only one coat of paint has been applied to these areas.

Phase II Entrance

1 There are several potholes and areas of pavement failure at the entrance to Phase II In addition several of the palm trees at the entrance and to the north of Bldg 3 are leaning

Kimley Horn
and Associates, Inc

PHOTOGRAPH LOG
RIVERWALK

Bldg 1
1 Front elevation
2 Right elevation
3 Rear elevation
4 Left elevation
5 Standing water
6 Caulk joint at window

Bldg 2
7 Gap in facade at hose bib
8 Standing water
9 Cracked handrail bracket

Bldg 3
10 Gap in facade in HVAV penetration
11 Missing caulk at porch/wall intersection

Bldg. 4
12 Loose soffit at front of building
13 Grade above rear porch floor
14 Grade slopes toward building at right rear corner
15 Erosion at left rear corner
16 Missing caulk at trim/brick intersection

Pool 1/Bathhouse
17 Crack in concrete floor
18 Grade above siding at poolhouse

Bldg. 5
19 Uncaulked hose bib penetration

Bldg 6
20 (Photo Eliminated)
21 Ponding water in drive isle
22 Opening in façade at HVAC Penetration
23 Cracks in ceiling at 3rd floor breezeway

Bldg 7
24 Opening at porch/wall intersection
25 Unsealed gap at trim/brick intersection
26 Loose handrail
27 Gap at column/ceiling intersection at 3rd floor breezeway

Appendix B

Photographs

Bldg 8
28 Gap at rear porch column
29 Unsealed joint at column base
30 Unsealed opening below electric meter base
31 Grade slopes toward building

Bldg 9
32 Sidewalk cracks
33 Unsealed gap at front column base
34 Ponding water at parking lot
35 Large gap at brick/trim intersection

Bldg. 10
36 Saturated soil at front elevation
37 Saturated soil at front elevation
38 Ceiling stains on 1st floor porch ceiling
39 Column base separating – rear elevation
40 Cracks and stains on breezeway ceiling
41 Cracked trim piece – front column
42 Gap at front column

Bldg 11
43 Gap at porch/column intersection
44 Stains on rear porch ceiling – 1st floor
45 Condensate line buried
46 Large unsealed gap at porch/wall intersection
47 Ponding water at parking lot
48 Missing mortar at brick joint

Bldg 12
49 Water meter cover does not fit properly (trip/fall hazard)

Bldg. 17
50 Front elevation
51 Parking area in front of building Note one handicap space
52 Drop inlet in drive isle in front of building. Note that drop inlet stands well above pavement surface in that area
53 Areas of pavement failure in front of building and at entrance adjacent to building
54 Large gaps around HVAC unit condensate line penetrations on right elevation
55 Gaps in brick adjacent to windows on right elevation
56 No sealant around windows
57 Large gaps in brick veneer behind meter bases

58 Drainage at rear elevation The ground surface at area of drainage ditch was saturated and soft, however it had rained the previous day
59 Water damage in ceiling of rear balconies
60 Sealant around windows at rear elevation
61 Condensate lines discharging below grade Site in this general area grades back towards this point
62 Condensate lines discharging below grade Site in this general area grades back towards this point
63 Left rear corner Note site grading slopes toward building in this area
64 Damage to ceiling apparently from water at ceiling on second floor walkway
65 No sealant at intersection of brick veneer and fiber cement siding at right stairway second floor

Bldg_16
66 Front elevation
67 Gaps in brick veneer at 2nd floor balcony at left rear corner

Bldg_15
68 Wood trim around vinyl windows installed using exposed ungalvanized trim nails Note lack of sealant at joints
69 Sealed brick veneer weep holes at unit 101
70 Unsealed joints between trim components at column and headers in 3rd floor ceiling of left stair tower

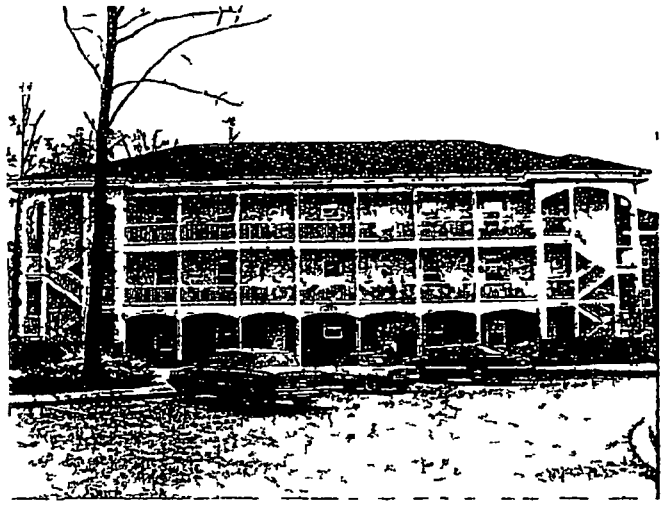
Bldg_14
71 Loose handrail at 2nd floor outside of unit 204
72 Typical unsealed beam penetration at stair tower

Pool 2/Bathhouse
73 Siding on poolhouse building taken from poolhouse enclosure
74 Siding on poolhouse building taken from poolhouse enclosure
75 Landscaping material placed adjacent to building on right elevation and somewhat on left elevation is above fiber cement siding

Pool 3/Bathhouse
76 Exposed foundation on north elevation
77 Site grading between pool and golf course slopes toward pool deck
78 Pavement failure and driveway leading to Phase II

Bldg_3 (Phase II)
79 Standing water and pavement failure in front of building
80 Exposed concrete (possibly footing) at right front corner
81 Condensate lines below grade
82 Front of building

Bldg 5 (Phase II)
83 Front elevation
84 Large opening in ceiling in 3rd floor above left stair tower
85 Water stains on front walkway ceiling above 2nd floor
86 Handicap parking in front of building



Photograph 1



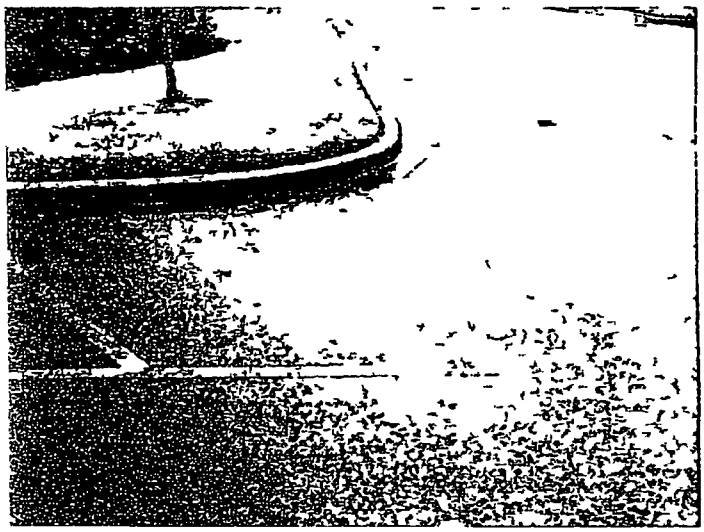
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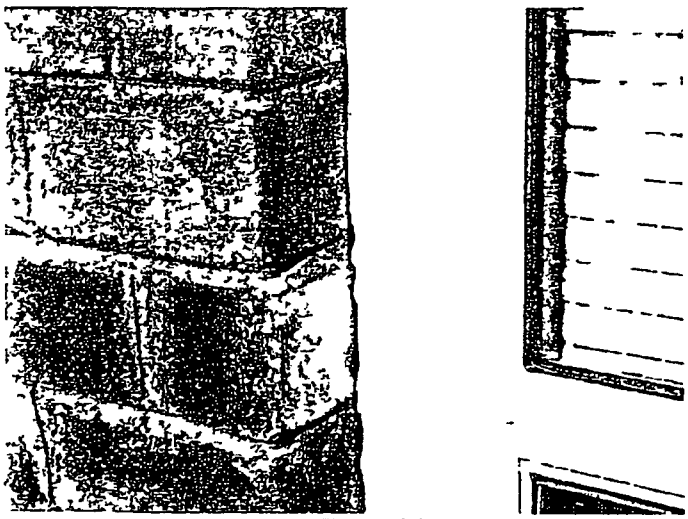
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Photograph 4



Photograph 5



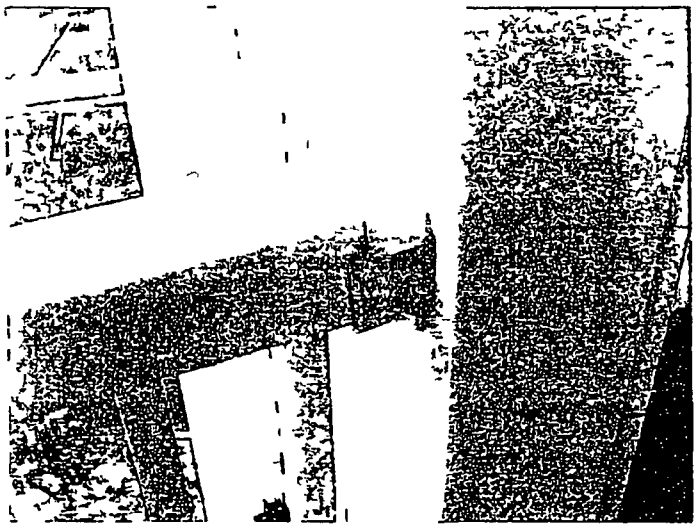
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Photograph 7



Photograph 8



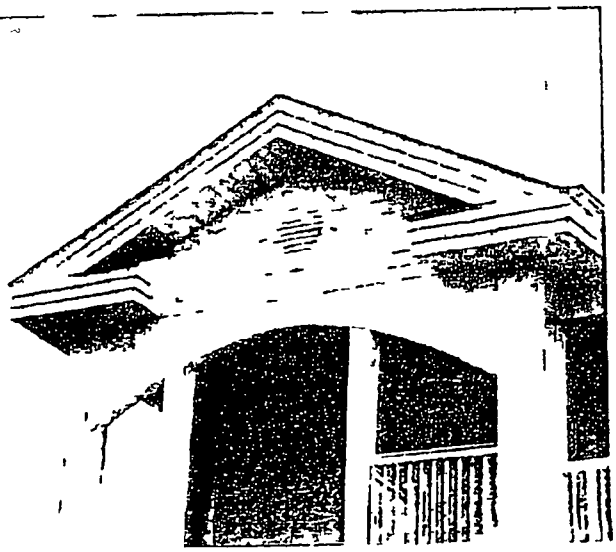
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Photograph 10



Photograph 11



Photograph 12



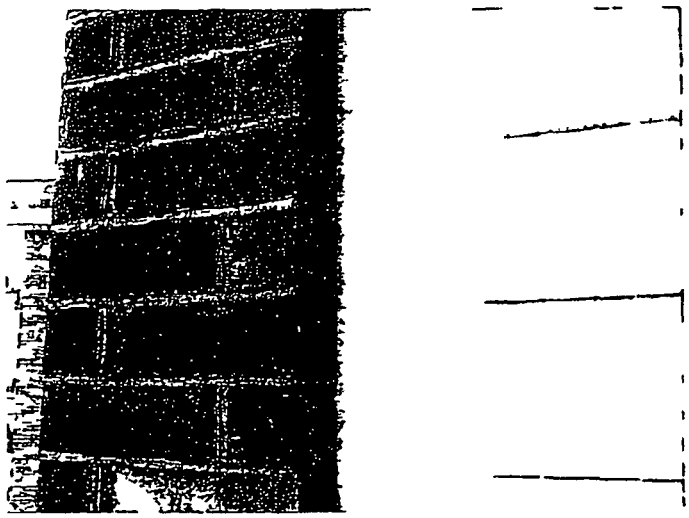
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Photograph 14



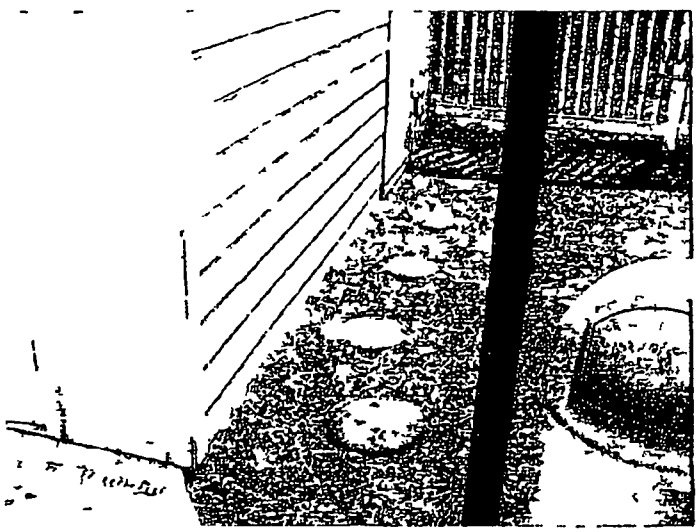
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Photograph 16



Photograph 17



Photograph 18

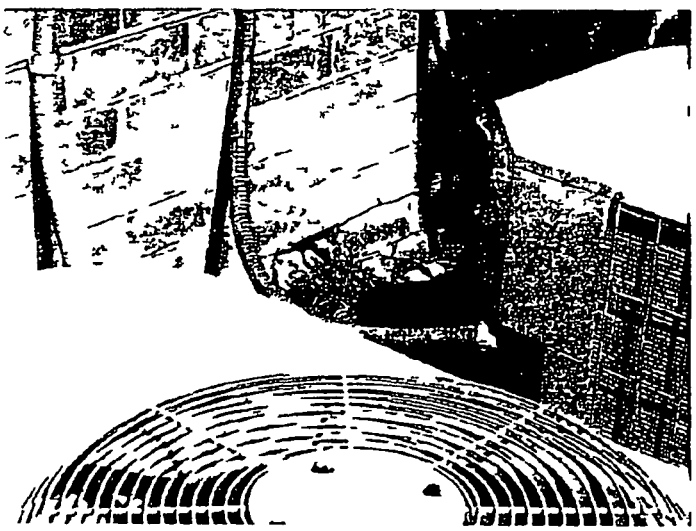


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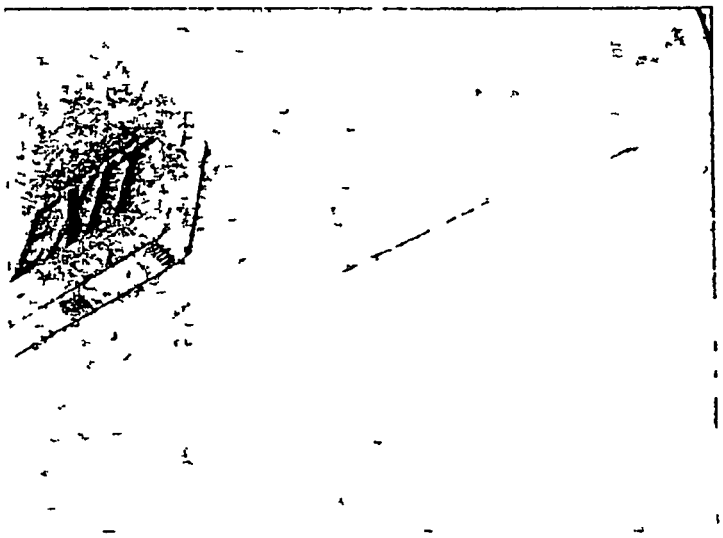
Photograph 20 Eliminated



Photograph 21



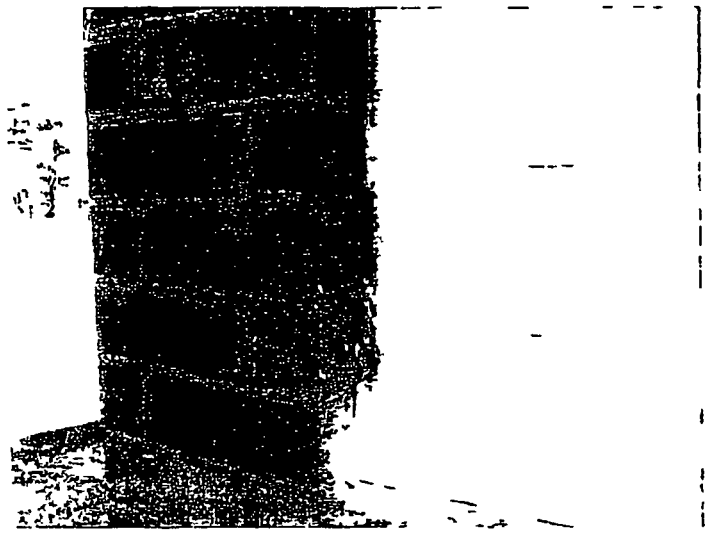
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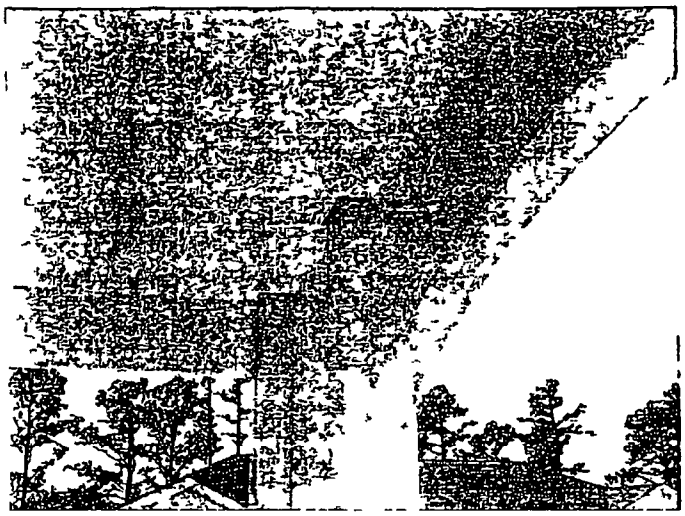
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Photograph 25



Photograph 26



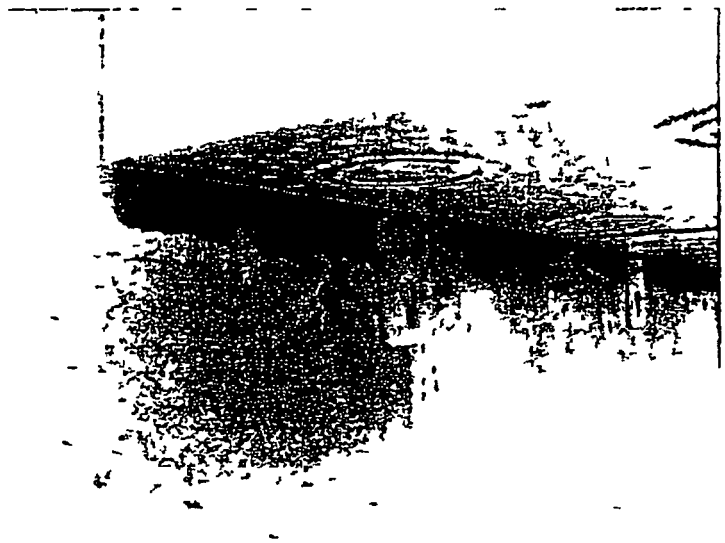
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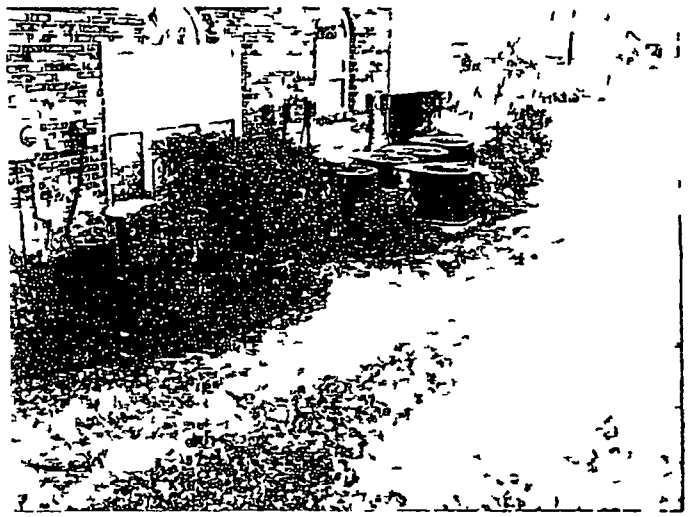
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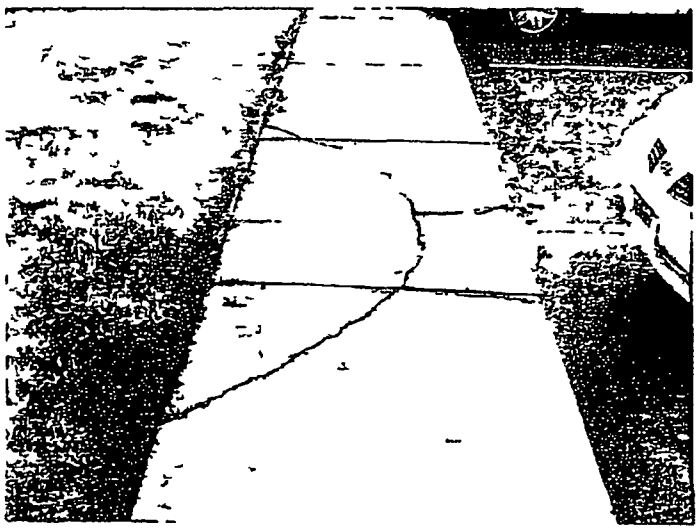
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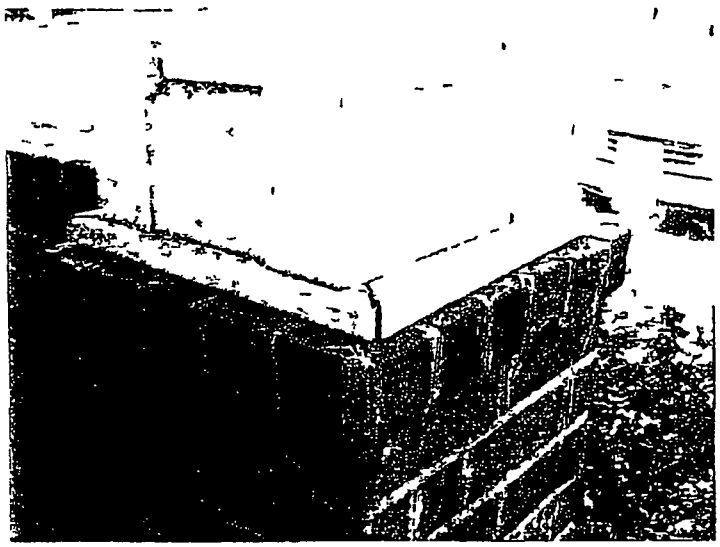
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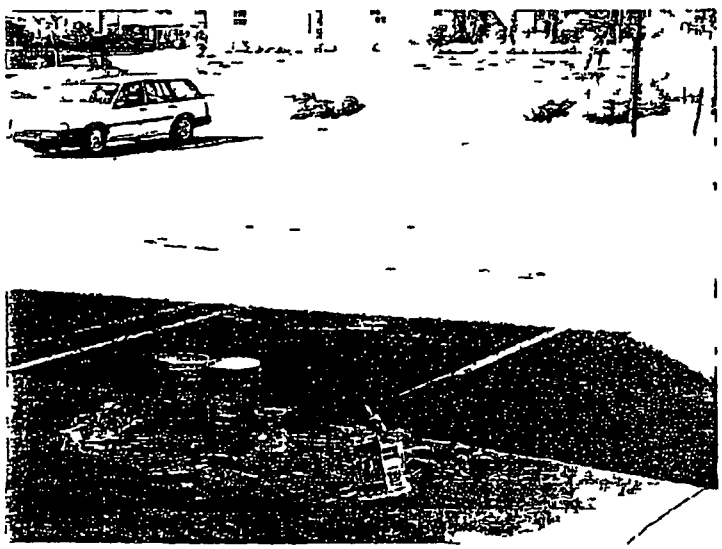
Photograph 31



Photograph 32



Photograph 33



Photograph 34



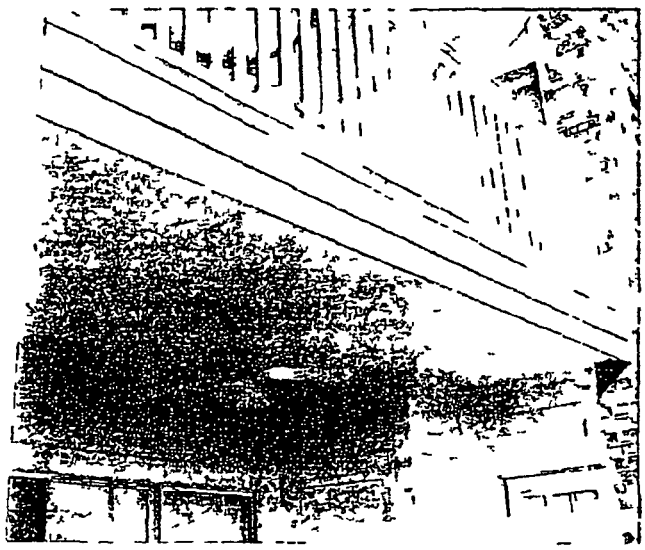
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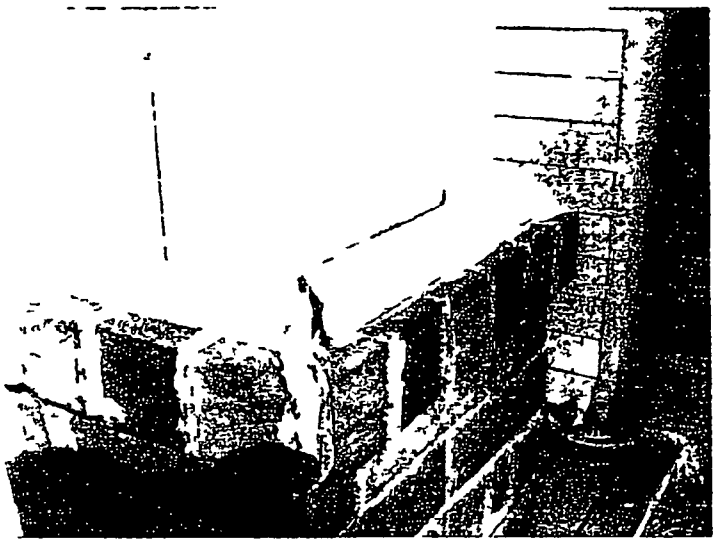
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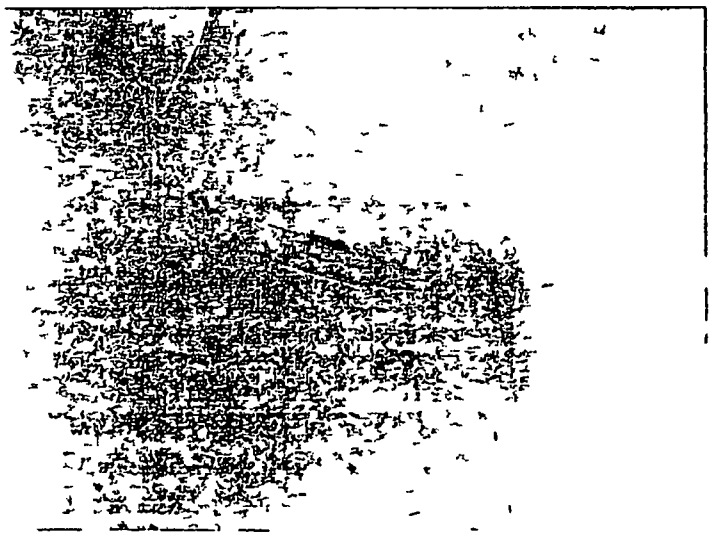
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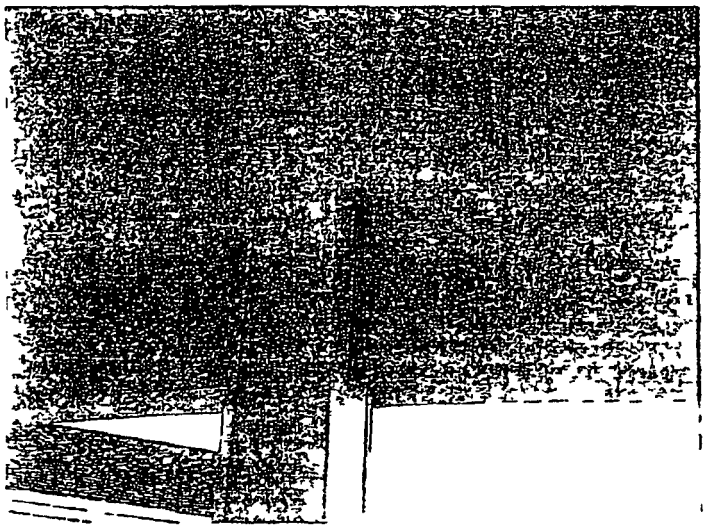
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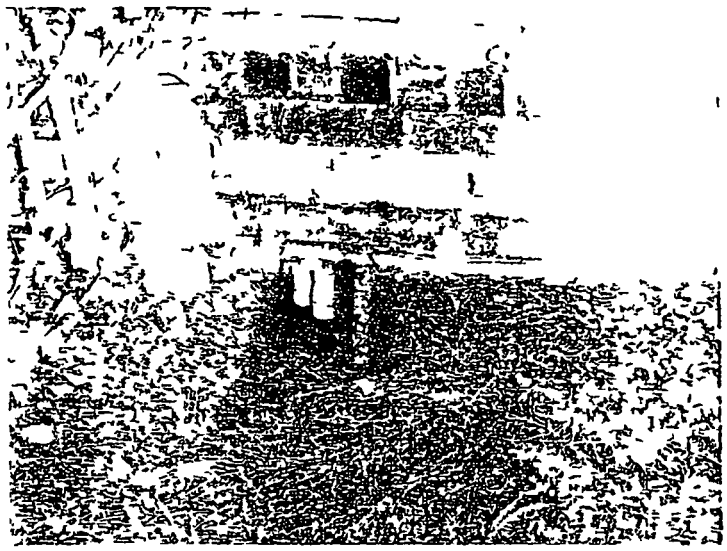
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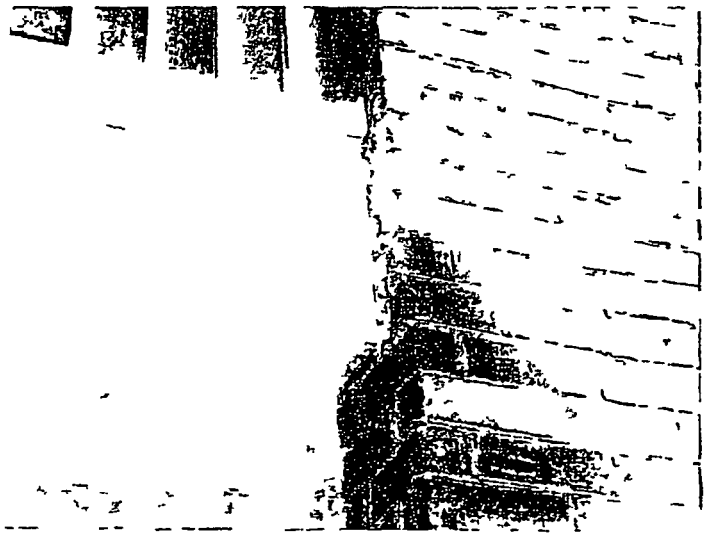
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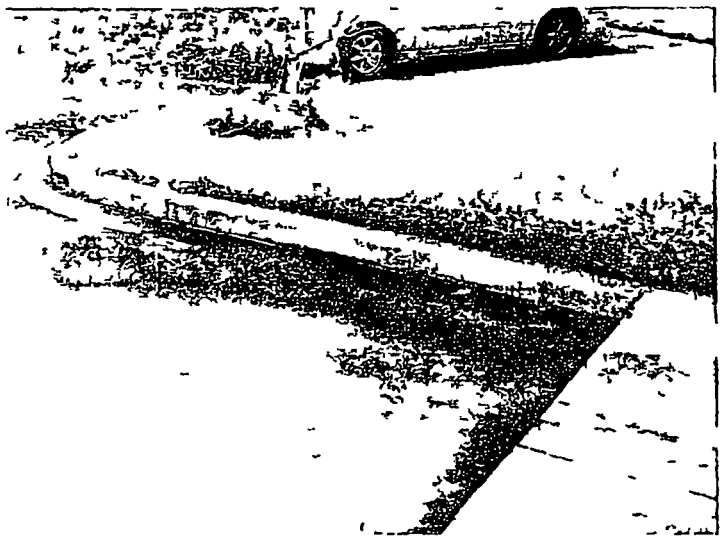
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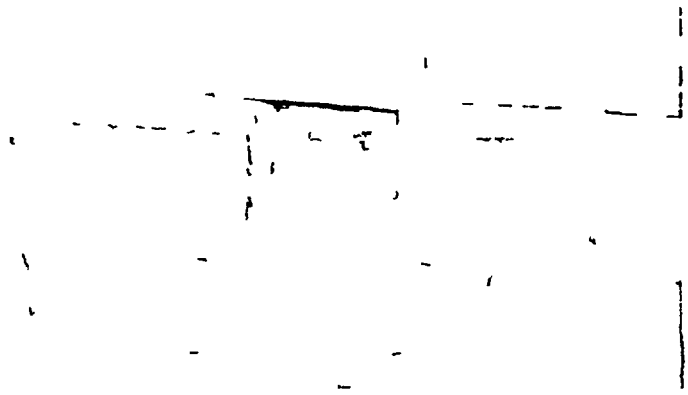
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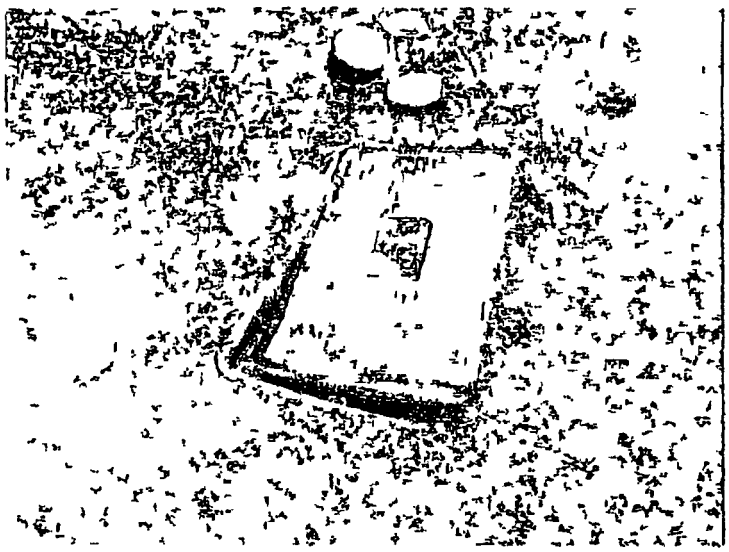
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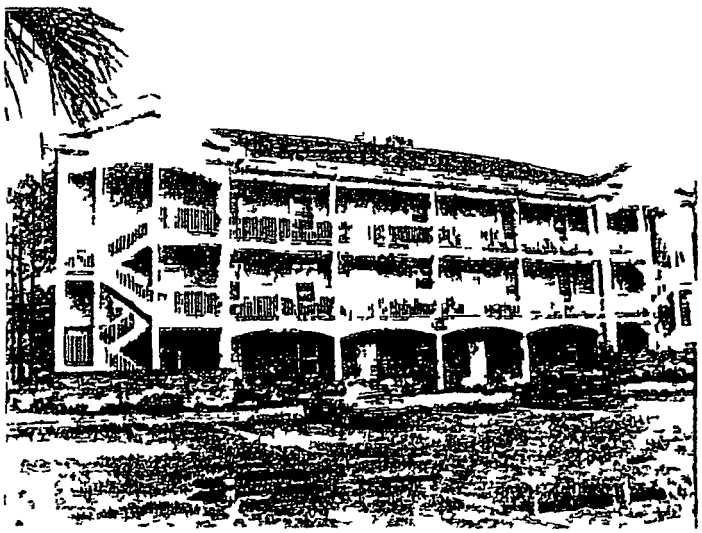
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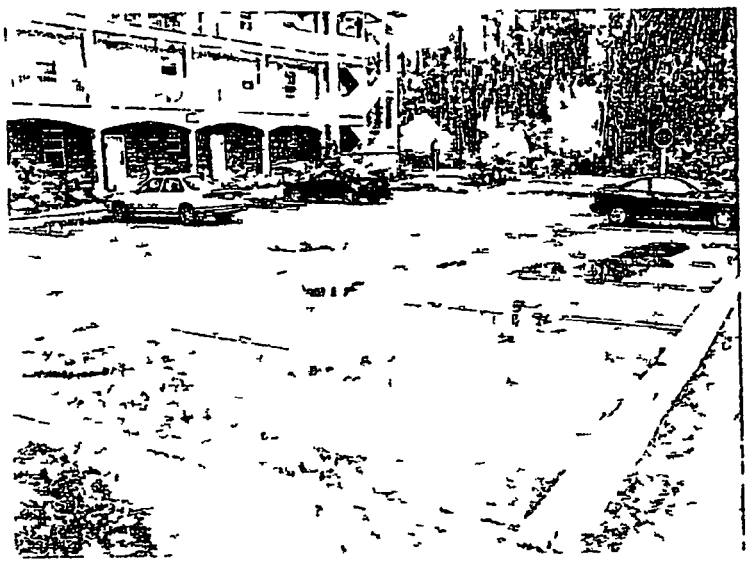
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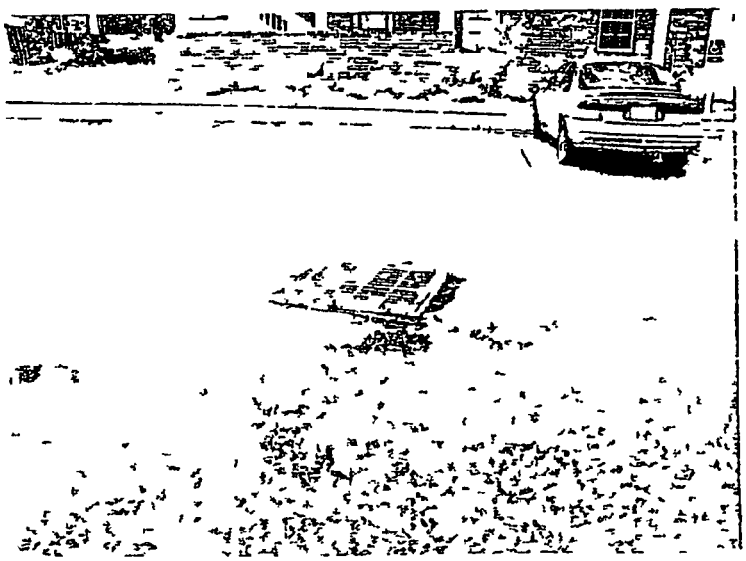
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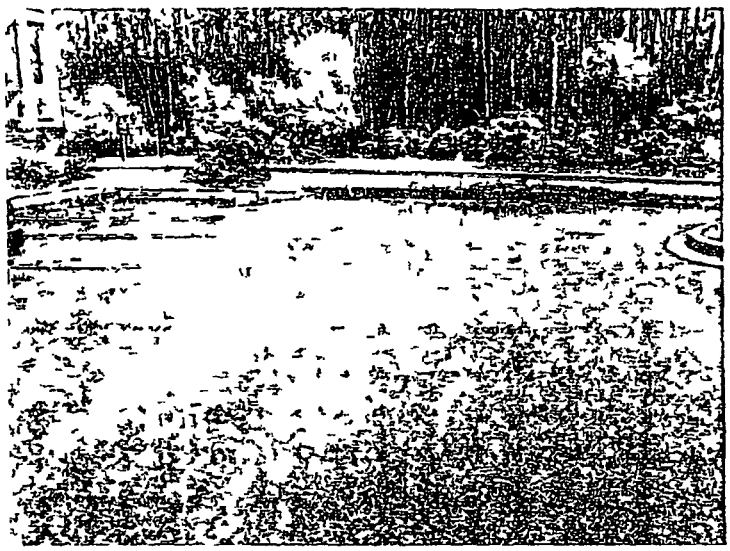
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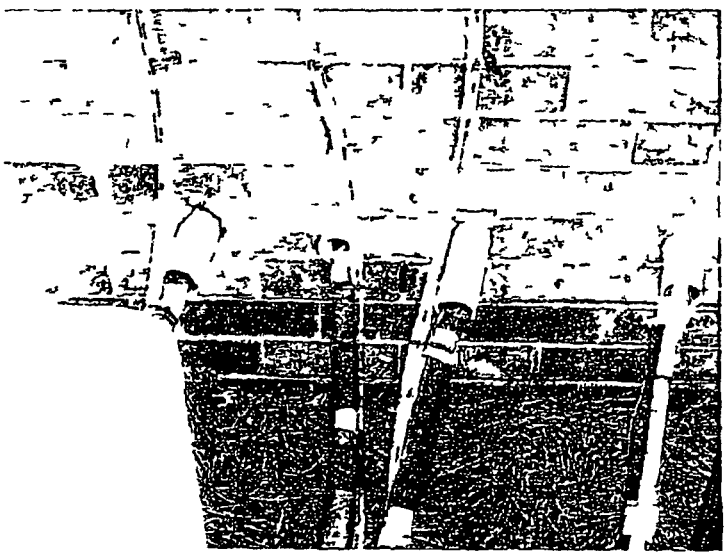
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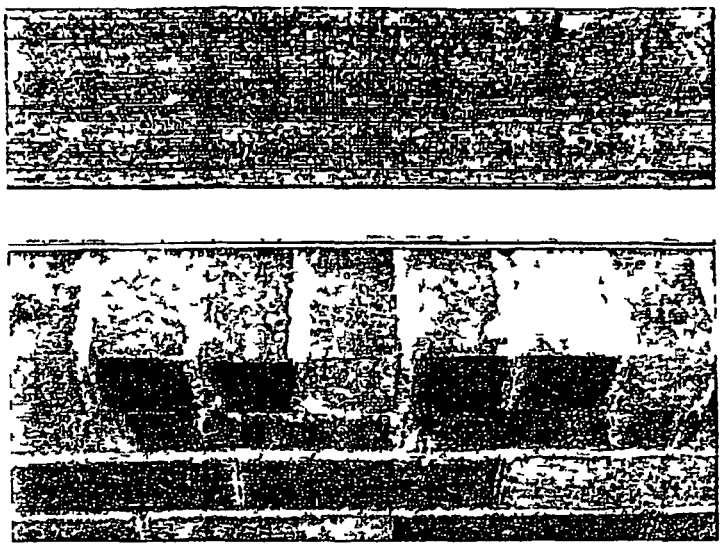
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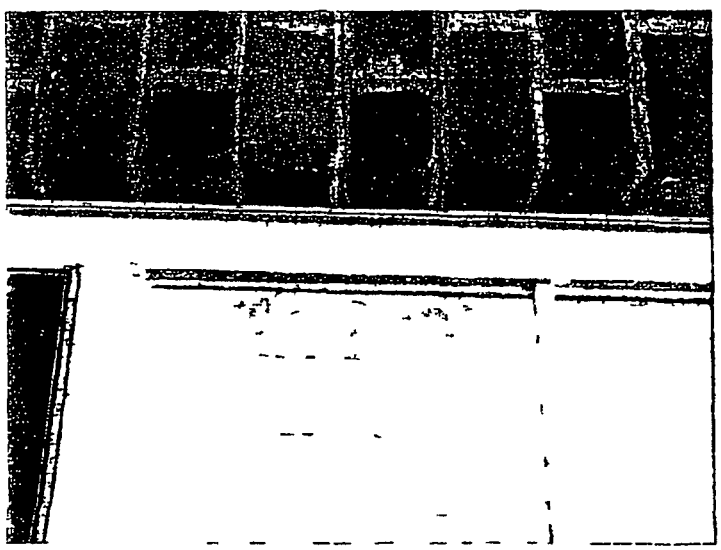
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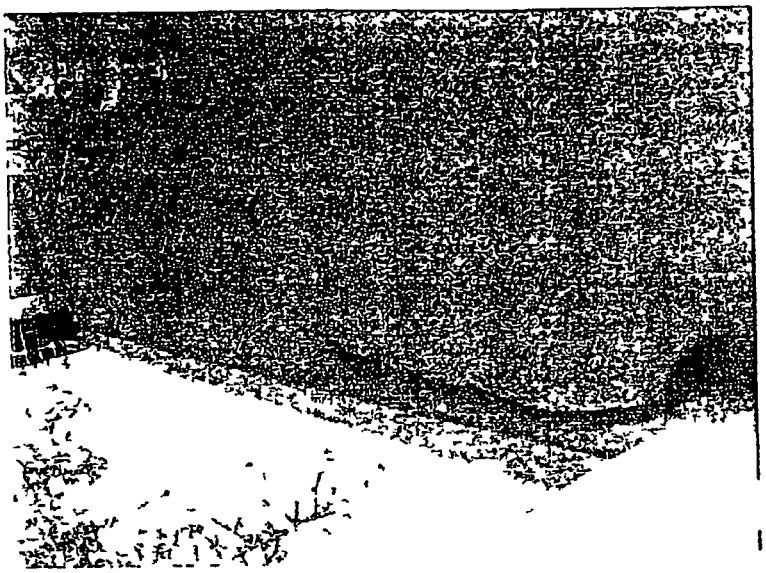
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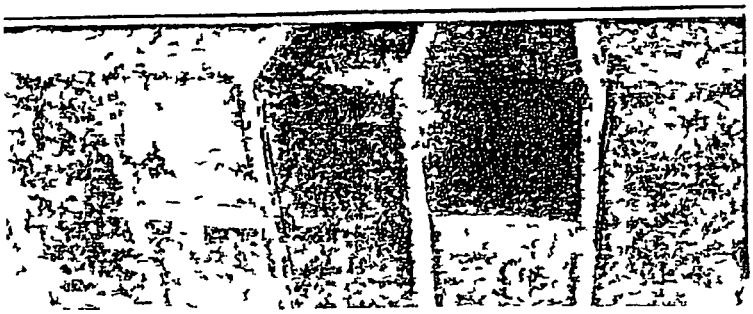


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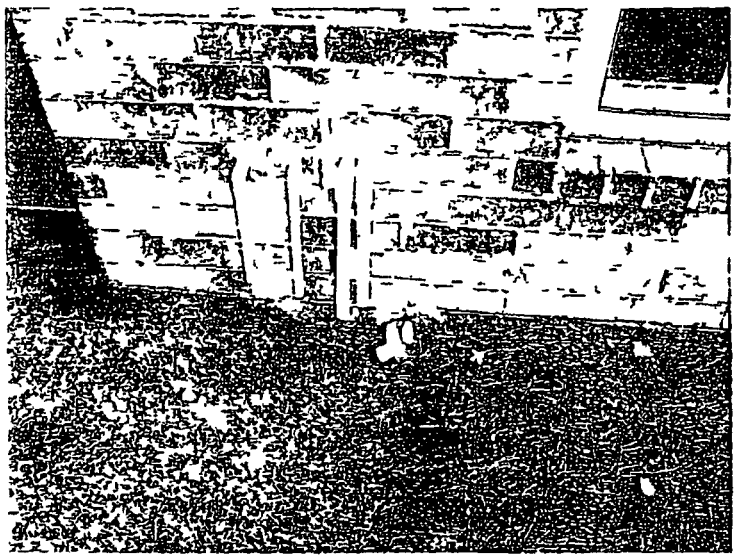


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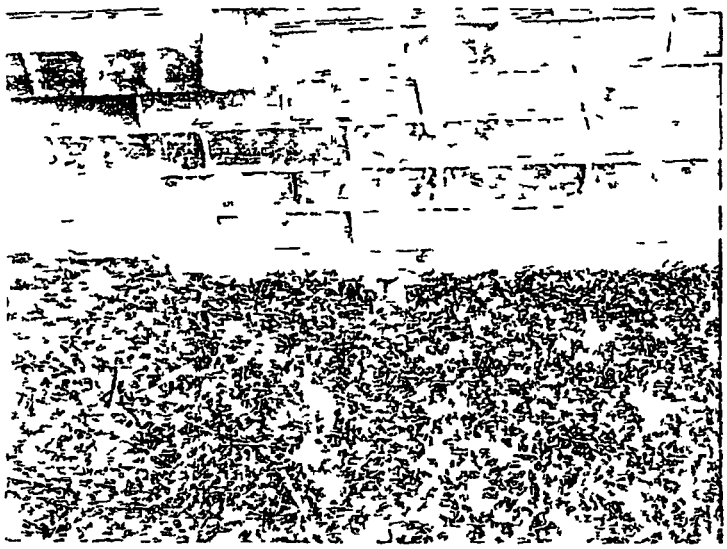




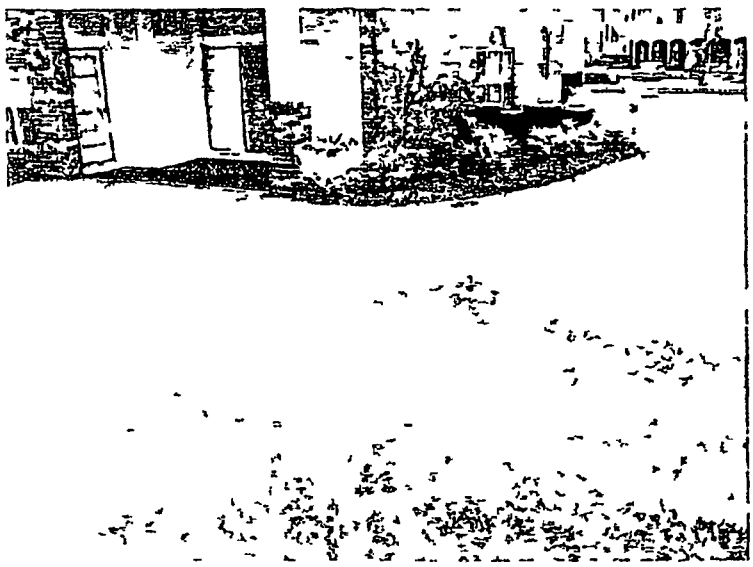
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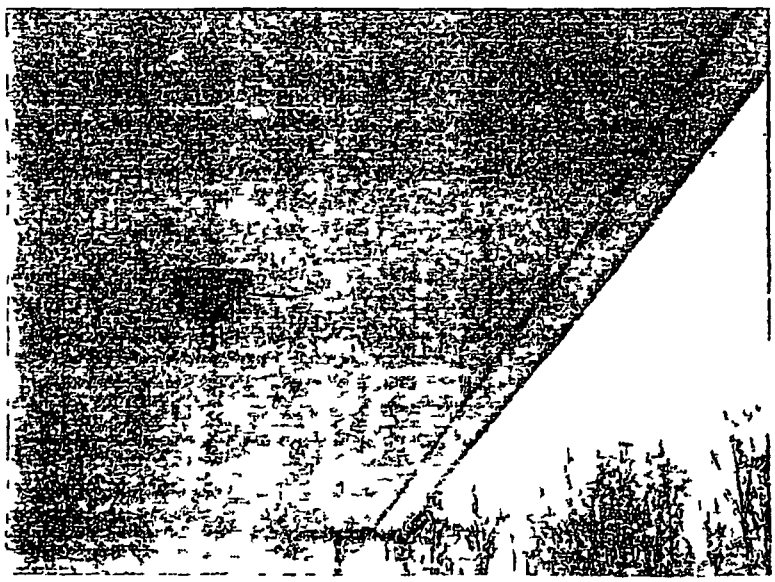
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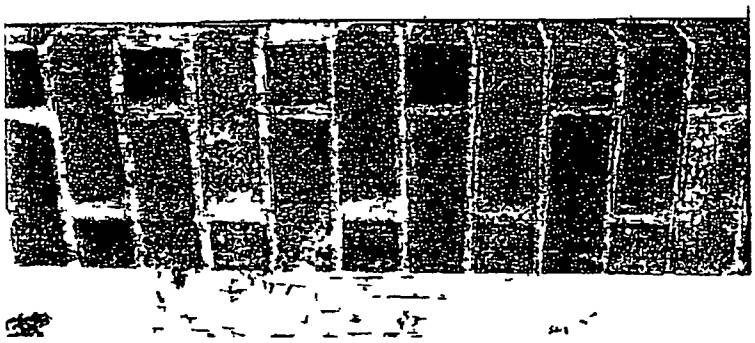
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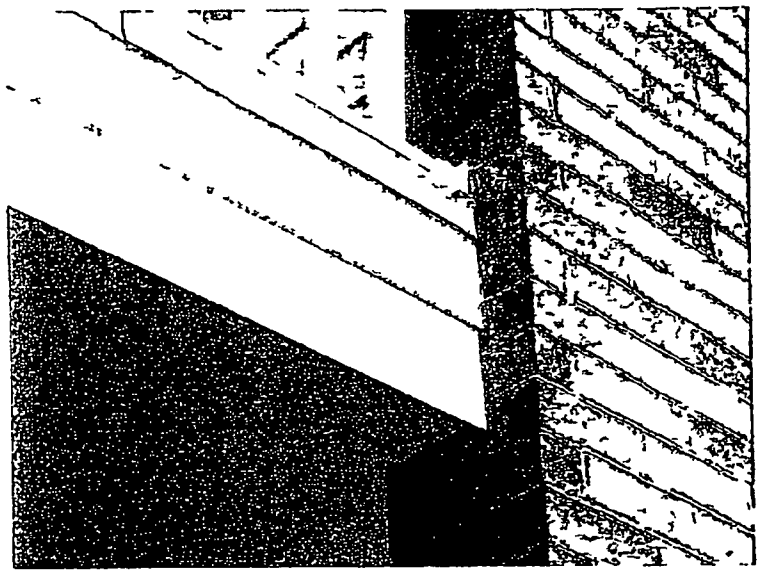
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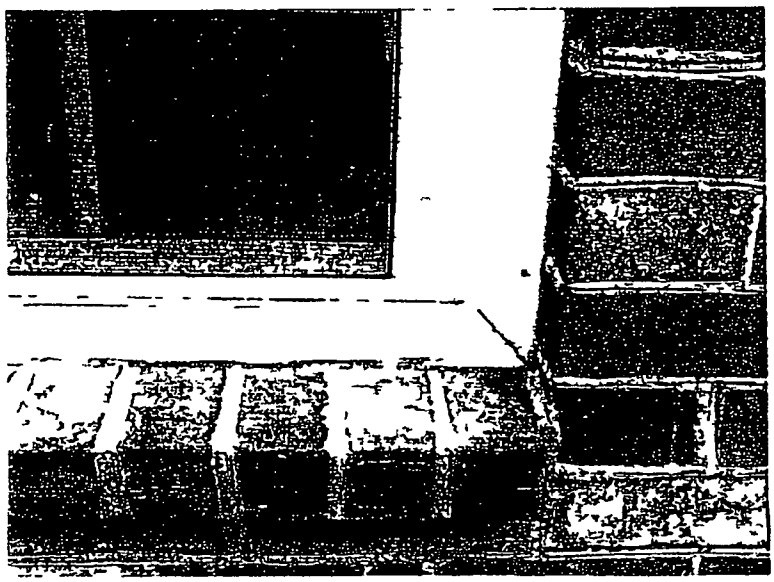
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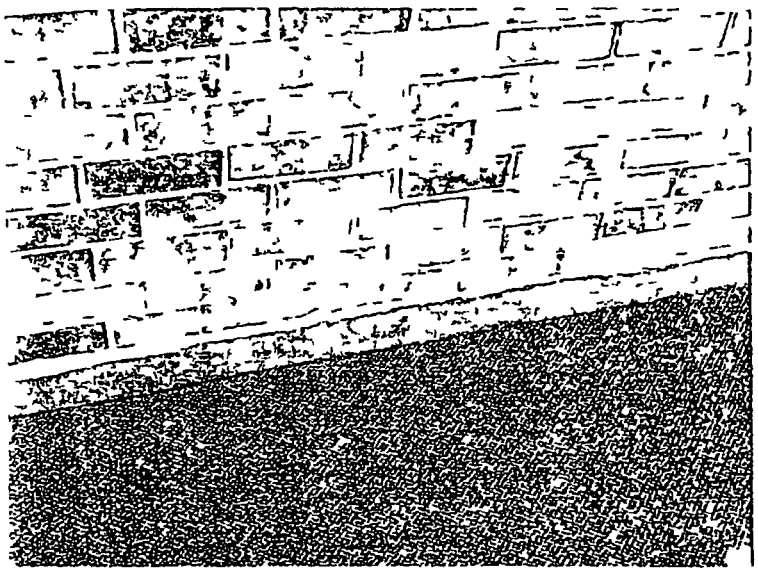
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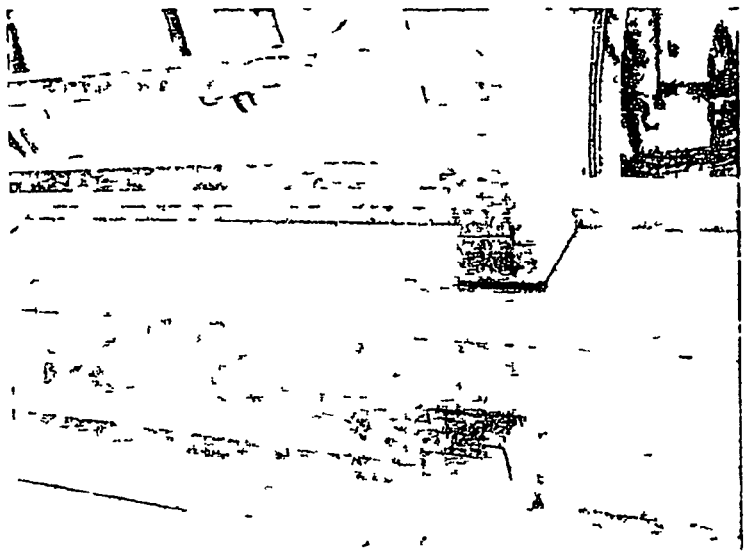
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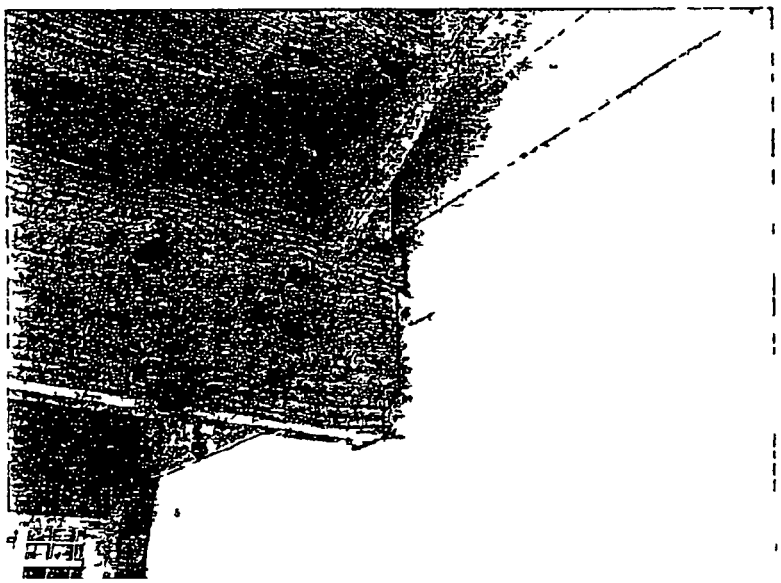
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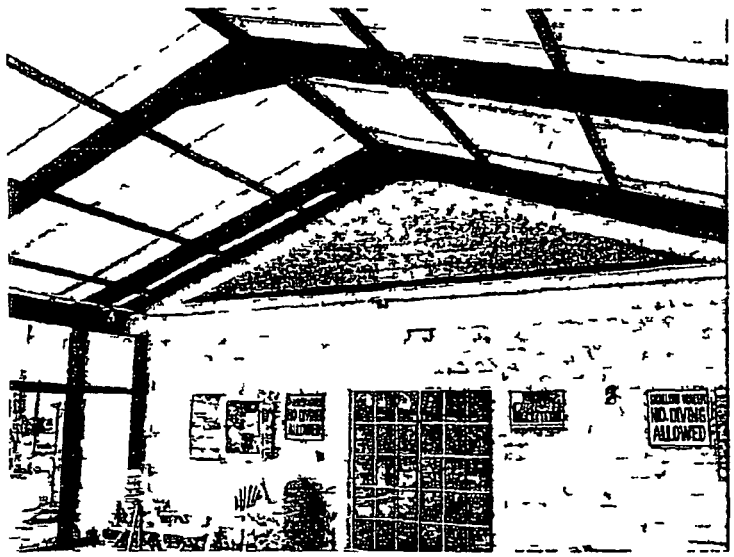
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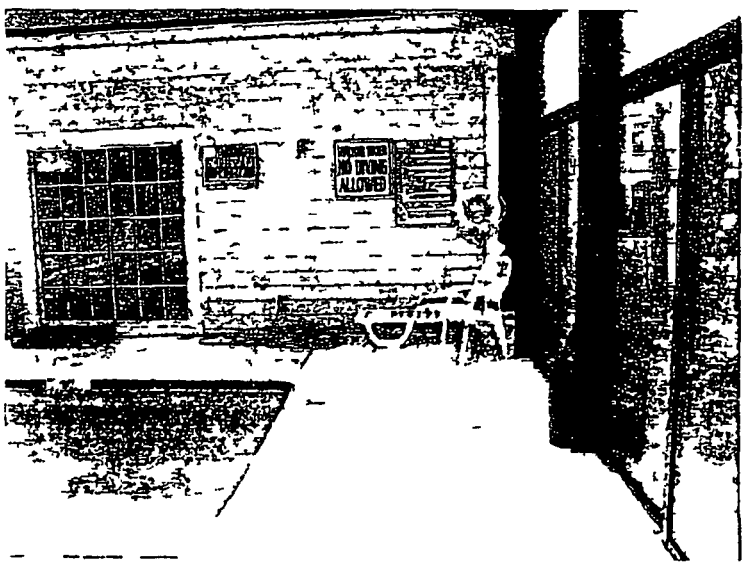
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Photograph 72



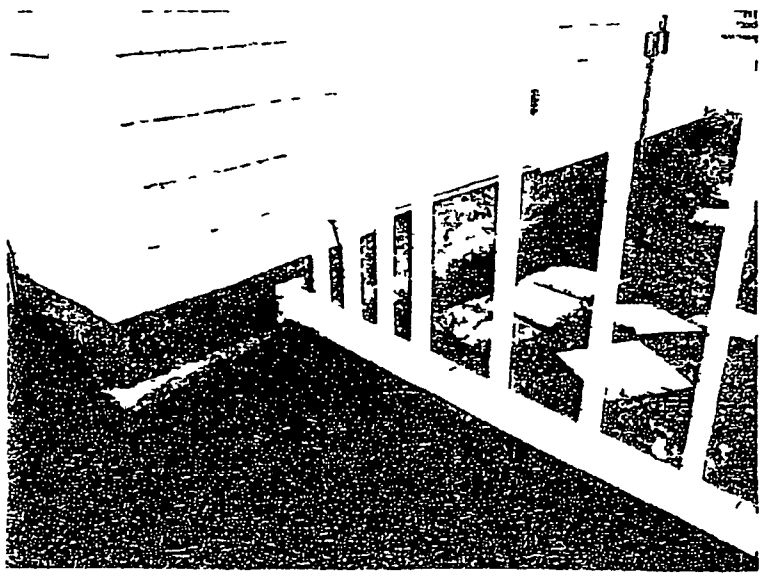
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Photograph 74



Photograph 75



Photograph 76



Photograph 77



Photograph 78



Photograph 79



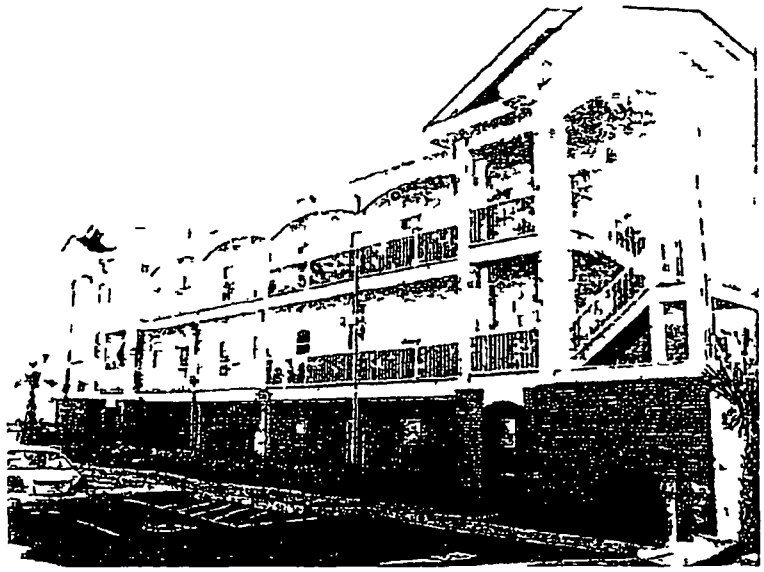
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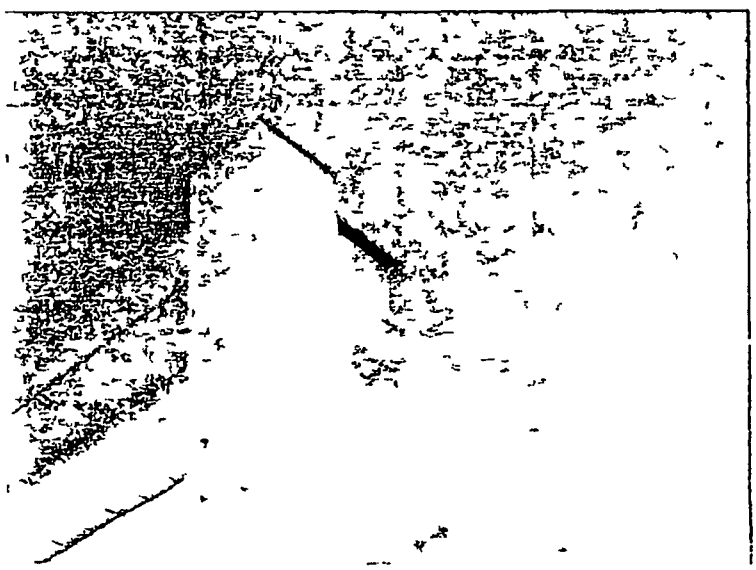
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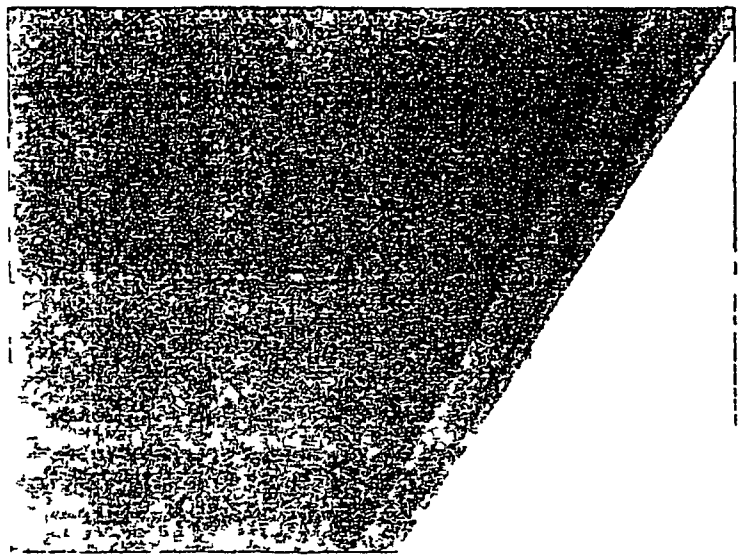
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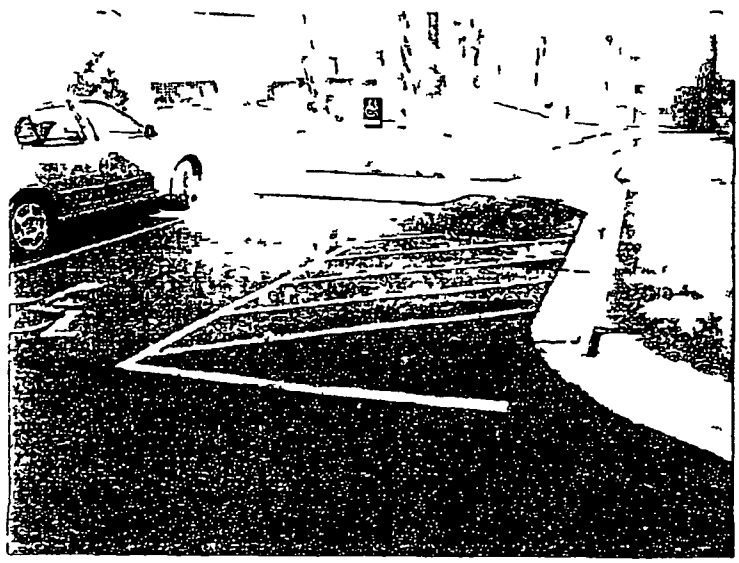
Photograph 83



Photograph 84



Photograph 85



Photograph 86

GEORGE R BARBOUR, P E
ENGINEERING AND CONSTRUCTION CONSULTANT

2002 Annual Maintenance Survey

Project **Riverwalk at Arrowhead Golf Club**
Myrtle Beach, SC

Prepared for **The Noble Company of South Carolina, LLC**
211 48th North Avenue
Myrtle Beach, South Carolina 29577

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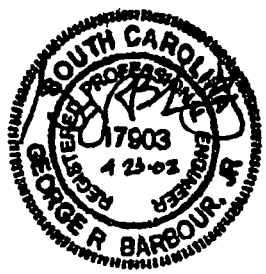




Table of Contents

Executive Summary .. 1

1 Introduction .. 2

2 Observations .. 2

2 1 Site/Civil .. 3

2.2 Pavements .. 4

2 3 Foundations and Structures .. 5

2 4 Building .. 5

2 5 Pools .. 7

2 6 Roofing .. 8

2 7 Americans With Disabilities Act (ADA) Compliance .. 8

3 Recommended Maintenance .. 9

3 1 Civil/Site. .. 9

3.2 Pavement .. 9

3 3 Exterior Facade .. 9

3 4 Roofing .. 10

3.5 ADA Compliance .. 10

3 6 Other Recommendations .. 10

4 Closure .. 11

Appendix A

Table-1 – Building Condition Assessment Summary – Riverwalk

Additional Building Comments

Appendix B

Photograph Log

Photographs

Executive Summary

This report documents the observations made by George R. Barbour, P E , Engineering and Construction Consultant (GRB) during the third annual maintenance survey (AMS) at Riverwalk at Arrowhead Golf Club (Riverwalk) The property is located off Burcale Road in Myrtle Beach, South Carolina The AMS was performed at the request of The Noble Company of South Carolina in order to satisfy the requirements of the Master Deed in effect at this development. The AMS consisted of observation of visible portions of the exterior building envelopes and site features. No maintenances personnel or homeowners were interviewed during the course of the AMS

The Riverwalk AMS included 19 villa buildings and three pool/bath houses Seventeen buildings and the three pools evaluated were built during the first phase (Phase I) of the development, and are located along Riverwalk Drive Two additional buildings are part of the second phase (Phase II) of the Riverwalk development located along Lantern's Rest Road. The buildings at Riverwalk are wood-framed, three-story structures on concrete slabs-on-grade with four units per floor The existing Phase I buildings were constructed in 1998 and 1999 and the Phase II buildings were constructed in 2000 Construction of an additional Phase II building, garage parking areas and grading for additional building pads was in progress at the time of our site visits.

The general condition of the buildings and surrounding site is good. Landscaped areas appear to be well maintained. Recurring problem areas include poor site drainage with saturated soil or standing water in the landscaped areas around some of the buildings, standing water in parking areas or drive aisles, large areas of pavement and pavement subgrade failure in the parking areas, drive isles and entrance drives, pavement areas in Phase I and II where the wearing course has not been installed, evidence of moisture intrusion in exterior breezeway and porch ceilings, and unsealed utility penetrations Items identified during this survey include pine needles and other debris in the gutters and roof valleys, loose carpet or carpet accessories at the building entrances, nails backing out of the floor decking at the landings, and squeaking stairs

In addition to the visible maintenance items, several details of the construction of the building envelope may justify further scrutiny beyond the scope of the AMS Large unsealed gaps at the intersection of the landing framing and exterior walls of the building are subject to water infiltration. In some of these locations, the underlying sheathing beneath the brick veneer and fiber cement siding is exposed to view Since no weather barrier or flashing was provided in these areas during the original construction, the sheathing is exposed to possible damage from water leaks. Ongoing problems with water intrusion and cracks in the ceiling of the balconies and front breezeways also indicate water intrusion problems related to the original design and construction of the buildings. Other potential water problems may be present but cannot be identified without intrusive testing or investigations beyond the scope of the AMS

1 *Introduction*

The AMS consists of a visual and photographic survey of visible exterior features of the building envelope (façade, windows, doors and roof) landings and balconies, site features, and pavements The purpose of the AMS is to identify maintenance needs for the items reviewed and report that information to the Riverwalk Property Owners Association (POA) It is intended that the POA use this information when developing the annual maintenance plan for the property

Accessible elements of the exterior façade, roof rear balconies and front entrance breezeways and landings were observed from the ground. Entrance breezeways stairs and landings at the front of each building were walked Accessible elements of the site features including grassed and landscaped areas, paved parking areas, drive isles, entrance drives and concrete walkways were also observed No building interiors were observed as these are maintained by the unit owners No environmental, hazardous material, mechanical systems assessment, or destructive or intrusive testing was performed.

Observations were recorded in tabular form (see appendix A, Building Condition Survey Form) for commonly occurring items at each building and at the site features associated with each building. For ease of reference, observations related to the parking areas and site features were recorded and catalogued based on the building they serve Where necessary, notes on unique items specific to a particular building were recorded and used in developing this report.

Photographs of representative conditions were taken using a digital camera. Color copies of selected photographs are included with this report for reference purposes A compact disc (CD) is also included with a digital copy (jpg file) of all photographs taken Photograph numbers referenced in this report refer to the number of the printed photograph unless otherwise noted.

2 *Observations*

This section provides a summary of the observations and findings for the buildings and site features at Riverwalk. The summaries are divided into the following major categories site/civil, pavements, building exteriors, roofing, and Americans With Disabilities (ADA) compliance The abbreviations and terms used to describe the condition of site features or elements in this report and the Building Condition Assessment Summary table in appendix A, are defined as follows

Abbreviation	Description
Y	Yes, the condition identified was observed in at least one location
N	No the condition identified was not observed

C	Critical repairs are required. This condition may present a potential safety hazard.
Poor	Repairs are recommended This condition may deteriorate and resulted in higher repair, corrective or maintenance costs if repairs are postponed.

For the purpose of this report, the terms used to describe the functional performance of site features or elements are defined as follows

Term	Description
Adequate	The condition appears to meet the generally accepted standards in the industry for function
Inadequate	The condition may not meet the generally accepted standards in the industry for function and may require evaluation beyond the scope of this contract.

2 1 Site/Civil

The Riverwalk development features 19 villa buildings and three pools with bath houses Seventeen of the buildings and the three pools were built during Phase I of the development, and are located along Riverwalk Drive The two buildings at the end of Lantern s Rest Road are part of Phase II The buildings are wood-framed, three-story with four units per floor The first floor is concrete slab-on-grade Load bearing walls are supported on concrete masonry unit (CMU) foundation walls bearing on shallow concrete spread footings The existing Phase I buildings were constructed in 1998 and 1999 and the Phase II buildings were constructed in 2000 Construction of an additional Phase II building, parking areas and grading for additional building pads was in progress at the time of our site visits Additional parking areas and drive isles were also under construction.

The general condition of the site is good Landscaped areas appear to be well maintained. Recurring problems with site features include

1 Poor site drainage with saturated soil or standing water in the grassed and/or landscaped areas around some of the buildings

2 Areas around the site which drain toward structures or improvements

3 Standing water in parking areas or drive aisles

4 Large areas of pavement and pavement subgrade failure in the parking areas, drive isles and entrance drives

5 Pavement areas in Phase I and II where the wearing course has not been installed.

The sidewalks consist of 4-inch thick concrete walkways which are generally 3 to 4-feet wide The condition of the sidewalks is generally good There is a ten foot section of sidewalk with multiple deep cracks at building 706

Site lighting includes street lights in the parking area and door lights at the unit entrances, and appears to be adequate (lighting was not viewed at night) Emergency lighting is provided at the entrances to the buildings

General site drainage occurs via sheet flow, to the golf course, drainage canal, or directly to the Waccamaw River (all located behind the buildings) Site drainage is poor in many locations Poor grading practices during original construction has resulted in numerous areas of saturated soil or standing water in the grassed and/or landscaped areas. Areas of saturated soils are defined as soils that are wet and will compress under foot traffic and generally rut under lawn maintenance traffic Areas with saturated soils and standing water are more difficult to mow and maintain and are less useful to the homeowners (see photograph 7)

The site slopes towards the building at buildings 4 (691), 6 (699), 8 (705), 17 (670), pool 3 and pool 2 The site grade is elevated above the porch floor at buildings 4 (691), 6 (699), 7 (703) 8 (705), and 10 (702) Excessive slopes behind building 5 (1512) are difficult to maintain and are exposed to erosion if the ground cover fails The area near the right, rear corner of building 5 (1512) should be monitored for possible undercutting of the column foundation by erosion or slope failure. Installation of a low maintenance ground cover and/or re grading is warranted in this area (see photographs 5, 7 and 30)

2 2 Pavements

This section describes the condition of overall pavement condition, and pavement drainage for each building at Riverwalk. Pavements consist of bituminous concrete (asphalt) drive isles and parking bays with concrete curb and gutter Dumpster pads are Portland cement concrete Water in the parking areas and drive aisles generally drains to drop inlets located at the center of the drive aisles.

The pavements are in good condition, except at Buildings 15 (682), 16 (674) and 17 (670), 3 (1514), 5 (1512) and at the entrance drives to Phase I and II The wearing (finish) course is missing and there is general pavement failure in these areas (see photograph 4, 25, 35 and 36)

Some surface staining was noted on pavement and concrete curbs due to water leaching from adjacent soil Drainage within the paved areas is only marginally adequate Areas of ponding water were observed in the parking areas or drive aisles in numerous locations including at building 5 (1512) and 17 (670) There was a large, deep area of ponding water at the entrance to the parking area in front of Bldg 17 (670) and at the space in front of building 5 (1512)

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2 3 *Foundations and Structures*

This section summarizes the condition of the foundation, based on visual observation of the building exteriors Construction documentation was not available for review The condition of wall and roof framing systems was not assessed The foundations are likely continuous concrete spread footings at exterior load-bearing walls, and isolated concrete spread footings or thickened slabs at interior load-bearing walls and columns. Foundation walls are CMU up to the finish floor elevation of the first floor and bear on shallow concrete spread footings

There is no visible evidence of structural distress in the buildings at Riverwalk. All building structures appear to be in good condition and appear adequate

2 4 *Building*

This section summarizes the condition of windows and doors, sealants, paint, and other façade components such as fascia and soffit. Also addressed are the balconies, landings, stairways and breezeways Where observed, evidence of extensive moisture intrusion has also been noted.

The buildings feature treated wood exterior stairs and landings, waterproofed wood-framed breezeway and balcony floors with PVC guardrails

The front elevation of the villa buildings at Riverwalk feature brick veneer on the first level and painted, fiber-cement board siding on the second and third floors The right and left elevations feature brick veneer on all three floors in phase I Brick is provided at the first floor only at the right left and rear elevation on phase II buildings with fiber cement being used at the second and third floors At the rear elevation on phase I, brick veneer is provided on all three levels at all portions of the building except at the balconies Painted fiber-cement siding was provided at all three levels at the rear balcony walls Soffit is vented, painted, vinyl, and fascia is painted aluminum (see photographs 1 2 27, 28, 29, 49, 50, 51 and 52) Garages, Pool House, and Bath House exterior walls are entirely painted fibercement siding with vented, painted, vinyl soffit and painted aluminum fascia. Doors are steel with wood frames, and windows are vinyl Aluminum gutters are provided along the front of the buildings

The windows and doors are generally in good condition, window frames do not have weep holes Window/door frame sealant and window-façade sealant was present and adequate at most locations The brick mold around the windows needs to be painted at building 15 At most buildings, sealant was missing or insufficient at brick trim joints at the front elevation at the corners of the building. Large unsealed gaps at the intersection of the landing framing and exterior walls of the building are subject to water infiltration. In some of these locations, the underlying sheathing beneath the brick veneer and fiber cement siding is exposed to view Since no weather barrier or flashing was provided in

these areas during the original construction, the sheathing is exposed to possible damage from water leaks These large open, unsealed joints occur at the areas with brick veneer and fiber-cement siding (see photographs 9 10 14 15 16 17, 19, 20 and 21)

In most buildings, water stains and/or mildew was observed on the ceilings of the rear balconies, especially in the vicinity of columns In some cases this was accompanied by cracks in the gypsum board ceiling and peeling paint. Evidence of moisture intrusion and cracks on the ceiling of the first, second and third floor breezeway ceilings (at the front of buildings) especially near the columns, was also observed Since the buildings were reported as being painted prior to the AMS performed for 2001 evidence of moisture intrusion may indicate on going water leaks dating back to the original construction of the buildings Further investigation of the cause of the leaks and water problems beyond the scope of this AMS is warranted (see photographs 8 11 and 12)

Gaps into the interior of the brick façade were observed in the vicinity of electric meter bases located at the one side of each building. Although attempts to correct this condition have been made, it does not appear that the gaps between the conduit and brick behind the bases are completely sealed Gaps were also observed at some isolated mechanical penetrations This condition exposes the wall cavity to water leaks and pest intrusion This condition was observed at most buildings (see photographs 18 and 39)

The guardrails (PVC) along the front breezeways and staircases are loose at 4 buildings and represent a potential safety hazard. The center posts of the breezeway PVC guardrails do not extend to the ceiling on approximately half of the buildings. The connections of the center post of the PVC handrails to the breezeway floors can be very flexible Movement of the posts related to the loose post connections can cause cracks in the waterproofing of the breezeway floor around the posts resulting in leaks Deterioration of the framing in this area could lead to reduction of the strength of the connection and eventually failure The building code requires that guardrails be capable of resisting a 200-pound point load or a 50-pound/foot distributed load The code does not specifically address excessive deflections

In addition to the loose post connections, the connection of the rail hangers to the building columns is inadequate in many locations Many of the building columns are built using an 8 by 8 inch treated wood post wrapped in fiber-cement board that is approximately ¼ inch thick. The columns around the stair towers are built out to create the look of a larger column. As a result, the screws connecting the hanger to the columns do not always reach the wood column and are only attached to the thin fiber-cement board In some cases, these screws back out and the rails become loose It is unlikely this connection detail complies with the rail manufacturer s installation specifications This detail dates to the original construction and will likely become a maintenance issue for the facility

2 5 Pools

Pool No 1 (behind building 674) The pool is in good condition with several minor items identified.

1 There are cracks in three sections of the pool deck.

2 The painted deck coating is failing in limited locations

3 The site is poorly graded around the side of the pool toward the golf course The ground surface in this area slopes toward the pool deck (see photograph 38).

4 The pool is not handicap accessible (see photograph 37)

Pool No 2 The pool is in good condition with several minor items identified

1 The trim on the building is water damaged and loose near the chemical storage area (see photograph 44 and 45)

2 There is a crack in the pool wall near the 4-foot mark (see photograph 46)

3 The painted deck coating is failing (see photograph 48)

4 There is a rust stain by the vent in the 5-foot area.

5 There are cracks in the pool deck (see photograph 47)

Pool No 3 (with pool enclosure): This pool is in good condition with several minor items identified.

1 The building siding and finish floor is below grade along the right elevation. Although the fiber-cement siding is resistant to decay, this condition makes the building framing more susceptible to termites and water damage.

2 The site drains toward the pool house at the rear of the building.

3 The pool deck slopes toward the building.

4 The surface of the building inside the pool area is green with mildew growth in some areas.

5 There are minor cracks in the pool deck.

6 The pool deck coating is failing in a small area near the building.

7 The steps leading to the building should have hand rails (see photograph 41)

8 The handicap space is not properly marked (see photograph 43)

2 6 *Roofing*

This section summarizes the condition of the roofing and drainage structures This includes a ground level visual assessment of the roofing shingles, flashing, and downspouts and gutters.

The roofs of all buildings reportedly feature ELK Prestique II architectural roof shingle, dark gray, with a four way pitch, a ridge vent, and a continuous drip strip All villa buildings have gutters along the front with downspouts at both ends, some villas also have gutters along the sides and rear of the building. The roof shingles and gutters are in good condition and are appear to be adequate However, the gutters are full of debris and should be cleaned. Pine needles that have collected in the roof valleys should also be removed.

2 7 *Americans With Disabilities Act (ADA) Compliance*

Assessment of ADA compliance is restricted to an evaluation of parking accessibility, the ratio of handicap-accessible (H/A) to total parking spaces, and accessibility to the building.

Regulations for sites with 1 to 25 vehicles require a minimum of 1 handicap-accessible space with 1 in every 8 accessible spaces being van accessible Handicap-accessible spaces should be at least 96 inches wide and should feature an adjacent isle at least 60 inches wide Van-accessible spaces should also be at least 96 inches wide but require an adjacent isle of at least 96 inches. Spaces should be appropriately identified through the use of pavement markings and signage Accessible spaces should be distributed throughout the site but located as close as possible to the intended destination.

Buildings 3 (1514) and 5 (1512) do not have a designated H/A parking. Seven buildings are not handicap accessible These buildings have steps in the walkway that leads from the H/A space to the building. All other H/A spaces meet the ADA width requirement for van access, and feature asphalt ramps to access building sidewalks. However, ADA requirements state that the ramps should not extend into the access aisle In addition, the ramp geometer and surface characteristics at this property may not meet the intent of the ADA. Due to the width of the sidewalks leading from the building to the spaces, the handicap spaces should have wheel stops to prevent the vehicles from overhanging the sidewalk to maintain a minimum 36-inch access route Although H/A signs are present, the signs should be mounted high enough so that the sign can be seen when a vehicle is parked in the space The sign should also say "Van Accessible,' along with the international symbol of accessibility Spaces should be clearly marked with a painted symbol as well Generally, the access to the buildings would not be considered H/c accessible (see photograph 3 35 and 36)

Pool number 1 is not handicap accessible.

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3 *Recommended Maintenance*

This section summarizes the recommended maintenance items that should be addressed in the next twelve months, as well as other recommendations based on the visual survey of the facilities at Riverwalk. These recommendations are based on the limited visual survey performed In some cases, additional evaluation may be necessary to determine what corrective action is required. Any design or further investigation necessary to perform these repairs is beyond the scope of this project. Also note that some of the repairs recommended below involve repair of construction and/or design problems dating back to the original construction and are beyond routine maintenance

The following maintenance items are recommended for the next 12 month period, broken out by element category·

3 1 *Civil/Site*

- Re grade areas around the buildings to improve drainage (Please note that drainage around the buildings has improved significantly since the previous maintenance survey performed in 2000 and 2001)

3 2 *Pavement*

Repair failed or damaged pavement areas in the completed sections of Phase I and II

A proper asphalt finish (wearing) course should be installed where missing to prevent additional damage to the asphalt base course and stone subbase, and to improve drainage to the drop inlets

Correct drainage problems (areas of standing water)

3 3 *Exterior Facade*

Tighten all loose PVC handrail brackets – install screws that engage the wood columns.

Properly attach loose PVC posts to the breezeways floor structure to prevent excessive movement (this is not a wide spread problem but occurs at isolated locations

Repairs/sealant are required in the following areas

- Porch/breezeway – repair leaks in porch and breezeway waterproofing
- Utility gaps – mortar gaps in the brick in the vicinity of utility conveyances into the building (i e , hose bibs, HVAC penetrations and around electrical meter bases)
- Brick/trim joints – add sealant where missing or insufficient

- Stair landing to wall intersections – correct gaps at the landing to wall intersections.

- Paint the brick mold around the windows at building 15 (682)
- Repair cracks and paint exterior gypsum boards (front breezeways and rear porches), where needed

Replace/repair siding and/or soffit where needed at building 3 (687) and 8 (705)

Clean gutters and roofs.

Pressure wash soffits and fascia.

Repair damaged trim at pool 2

Repair areas of deck coating at pool 1, 2 and 3

Have crack in the wall of pool 2 checked by a pool maintenance/repair contractor and repair as/if necessary

Repair broken exit sign and building 16 (674)

Repair backed out nails at the landings at buildings 10 (702), 12 (694), 13 (690), and 17 (670)

3 4 Roofing

Clean roof valleys and gutters

3 5 ADA Compliance

Add proper signage to all designated H/A spaces

Evaluate the access to all public buildings and make corrections as deemed necessary

3 6 Other Recommendations

Resurfacing of other portions of the drive/parking area may be required to prevent standing water and related long-term damage to the pavement

- The water intrusion evident on the front breezeway and rear porch ceilings on the first and second floors of some villa buildings should be analyzed further to determine the specific cause, and course of action Any staining noted on third story roofs may be indicative of roof leaks, which should also be investigated and corrected. The water damage was noticed on older as well as newer buildings
- The PVC handrails used along the second and third floor breezeways and rear porches should be investigated further to determine code-compliance for load criteria. The connection of these rail systems should comply with the manufacturer's requirements and should engage the underlying wood framing to reduce deflection of the rails Although there is no specific deflection criterion in the building code, the movement of the rail posts may result in leaks at the waterproofing at the base of the post

resulting in deterioration of the connection between the post and floor structure

- Grade is elevated above the rear porch floor elevation behind several buildings, soil should be removed and re-graded in these areas.

  Yard inlets or french drains should be installed to reduce localized flooding at rear and sides of buildings

4 Closure

This report has been prepared in accordance with the professional standard of care of George R. Barbour, P E No other warranties or guarantees, express or implied, are made or intended This report has been prepared solely for The Noble Company for the purpose stated herein and should not be relied upon by any other party or for any other purpose Specifically, this report may not be used in connection with actual renovation or construction of any kind The conclusions in this report are based on the limited investigation described above Any reliance on this report by any party other than The Noble Company shall be without liability to George R. Barbour, P E. or its employees.

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Appendix A

Table-1 – Annual Maintenance Survey Form

Client: The Noble Company
Job Number: 210.2

Table-1
BUILDING CONDITION ASSESSMENT SUMMARY
Riverwalk
Assessment Date: 4/1/02

George R. Barbour P.E.
Engineering and Construction Consultant
300 Harlendale Drive Wilmington, NC
(910) 686-3965

Category / Condition	Bldg. 1	Bldg. 2	Bldg. 3	Bldg. 4	Bldg. 5	Bldg. 6	Bldg. 7	Bldg. 8	Bldg. 9	Bldg. 10	Bldg. 11	Bldg. 12	Bldg. 13	Bldg. 14	Bldg. 15	Bldg. 16	Bldg. 17	Bldg. 3	Bldg. 5	Pool-1/Bath House	Pool-2/Bath House	Pool-3/Bath House
ADDRESS (Riverwalk Drive (Phase I))	679	683	687	691	695	699	703	705	708	702	696	694	690	688	682	674	670					
ADDRESS (Lantern's Rest Road (Phase II))																		1514	1512			
CIVIL/SITE																						
Minor cracks or damage in sidewalk	Y	N	Y	N	N	N	N	N	Y	Y	Y	N	N	Y	Y	Y	Y	N	N	Y		Y
Surface staining on sidewalk	Y	Y	Y	Y	Y	N	N	N	Y	Y	N	N	N	Y	Y	Y	Y	N	N	N	N	N
Site trees leaning	N	N	N	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Surface grade above siding	N	N	N	N	N	Y	Y	Y	N	N	Y	Y	Y	Y	N	Y	Y	N	N	N	Y	Y
Poor drainage with saturated soil	Y	Y	Y	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	N	N
Poor drainage with standing water	Y	Y	Y	N	N	N	N	N	N	N	N	Y	N	N	Y	N	Y	N	N	N	N	N
Surface grade above rear porch floor	N	N	N	Y	N	Y	Y	Y	N	Y	N	N	N	N	N	N	N	N	N			
Grade slopes towards building (or pool deck)	N	N	N	Y	N	Y	N	Y	N	N	N	N	N	N	N	N	Y	N	N	Y	N	Y
PAVEMENTS																						
Surface staining on pavement and/or curb	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	N	Y			
Standing water (or evidence) in parking area	N	Y	Y	N	N	N	N	Y	Y	Y	N	N	N	N	Y	Y	Y	Y	Y			
Pavement markings faded	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N			
Wearing course missing	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y	Y			
Pavement failure	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y	N			
Damage to surface course	Y	Y	Y	N	N	Y	Y	N	N	N	N	N	N	N								
EXTERIOR FAÇADE																						
Window-frame sealant missing/cracking	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Window-façade sealant missing/cracking	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	Y	Y	Y			N
Evidence of moisture intrusion on ceilings.																						
Rear porches 1st and/or 2nd floors	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	N	N	Y	Y	Y			
Front walkways, 1st and/or 2nd floors	N	N	N	N	N	N	N	N	N	Y	N	N	N	N	N	N	Y	Y	Y			
Loose siding or fascia			Y					Y														F
Nail pops at landings	N	N	N	N	N	N	N	N	N	Y	N	Y	Y	N	N	N	Y	Y	N			
Cracks in ceiling gypsum boards.																						
Rear porches	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	N	Y			
Front walkways	N	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			

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APP_1795

Client: The Noble Company
Job Number: 210.2

Table-1
BUILDING CONDITION ASSESSMENT SUMMARY
Riverwalk
Assessment Date 4/1/02

George R. Barbour P.E.
Engineering and Construction Consultant
300 Harbendale Drive, Wilmington, NC
(910) 686-3995

Category	Condition	Bldg. 1	Bldg. 2	Bldg. 3	Bldg. 4	Bldg. 5	Bldg. 6	Bldg. 7	Bldg. 8	Bldg. 9	Bldg. 10	Bldg. 11	Bldg. 12	Bldg. 13	Bldg. 14	Bldg. 15	Bldg. 16	Bldg. 17	Bldg. 3	Bldg. 8	Pool-1/Bath House*	Pool-2/Bath House	Pool-3/Bath House
	ADDRESS (Riverwalk Drive (Phase I))	679	683	687	691	695	699	703	705	706	702	698	694	690	688	682	674	670					
	ADDRESS (Lantern's Rest Road (Phase II))																		1514	1512			
	Damaged/loose/missing fascia/soffit panel(s)	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
	Stained soffit, fascia and gutters	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			Y
	Gaps into Int. at utility conveyance or meter panel	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N
	Requires pressure wash (soffit, fascia and gutters)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y
	Loose handrail	N	N	N	N	N	N	N	N	N	N	N	204	Y	N	N	204	301	N	N			
	Clean gutters and valleys	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			Y
	Missing/insufficient caulk at brick-trim joints	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y			
	Condensate drains below grade	N	N	N	Y	Y	N	N	N	N	Y	N	N	Y	Y	N	Y	Y	Y	Y			
	Loose carpet at entrance	N	N	Y	Y	Y	Y	Y	Y	N	N	Y	N	Y	Y	Y	N	Y	N	N			
	Unsealed brick mold penetrations at landing s/walc.	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y			
ROOFING																							
	Shingles missing or damaged (minor)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
	Erosion/standing water at gutter downspouts	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N			
ADA COMPLIANCE																							
	H/A parking meets ADA code for size	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y			Y
	H/A parking is missing sign	N	N	N	N	N	N	N	Y	Y	N	N	N	N	N	N	N	N	N	Y			
	H/A parking ramp NOT acceptible	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	Y			
	H/A pavement markings missing/faded	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N			N
	H/A parking sign is compliant	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N			N
	Bldg. is inaccessible (e g stairs)	N	N	N	Y	N	N	N	N	N	N	Y	Y	Y	Y	Y	Y	N	N	N			N

LEGEND
- **Y** Condition identified observed in at least one location
- **N** Condition identified not observed
- **C** *Critical repairs presently needed* -- potential safety hazard
- **202** Unit where item identified occurs

*** POOL LOCATIONS**
- #1 Behind Building 674
- #2 Behind Building 691
- #3- Enclosed pool

Appendix B

Photograph Log

Photographs

Riverwalk

Photograph Log

1 Front elevation building 1512 in phase II.
2 Front elevation building 686 in phase I
3 Typical asphalt handicap ramp
4 Pavement and subgrade failure in front of building 1514
5 Steep slope behind building 1512 adjacent to the Intercoastal Waterway
6 Footing at the right rear of building 1512
7 Example of saturated soils in grassed area behind building
8 Water stained balcony ceiling
9 Sealant Failure at window to brick intersection
10 Open gaps around landing framing at exterior wall of building
11 Cracks in breezeway ceiling
12 Cracks in breezeway ceiling.
13 Cracked floor deck at landing.
14 Unsealed window frame to brick intersection
15 Gaps in brick veneer at landing framing to wall intersection
16 Exposed sheathing at landing framing to wall intersection
17 Gap between brick veneer and trim.
18 Gap at dryer vent.
19 Unsealed joints between brick veneer and trim at landing
20 Discontinuous siding at stair
21 Discontinuous brick veneer at hand rail post.
22 Exposed breezeway floor decking beneath stair
23 Typical loose handrail connection and built out column
24 Loose exit sign.
25 Entrance to phase II (Lantern s Rest Road)
26 Construction underway at phase II
27 Typical side elevation at phase II
28 Typical rear elevation at phase II
29 Leaning palm tree at building 1512
30 Slope protection behind building 1512
31 Landscaping around building 1512 and 1514
32 Typical landing beam to wall intersection at phase II.
33 Typical stair tower at phase II
34 Space where water typically stands at building 1512
35 Entrance to phase I at Riverwalk Road. Note the area of pavement and subgrade failure.
36 First entrance into phase I where flooding occurs during rainfall events
37 Inaccessible entrance to pool 1
38 Poor grading at rear of pool 1
39 Typical open gaps behind the meter bases.
40 Typical incomplete pavement area at phase II in front of building 682 The wearing course has not been installed
41 Entrance to the enclosed pool (pool number 3)
42 Failed pool deck coating.
43 Front elevation of pool 3
44 Pool 2 bathroom building. Note the siding is below grade

45 Pool 2 bathroom building Note the deteriorated trim and the siding below grade
46 Crack in pool 2
47 Crack in pool deck at pool 2
48 Failed pool deck coating at pool 2
49 Typical rear elevation at phase I
50 Typical side elevation at phase I
51 Typical stair tower at phase I
52 Typical front elevation at phase I at buildings without center guardrail posts.

PHOTO 1

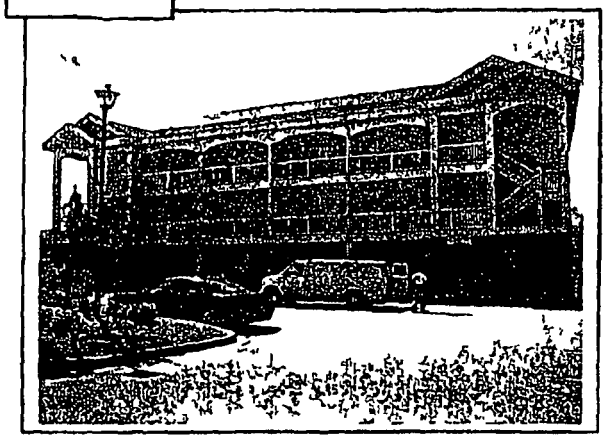


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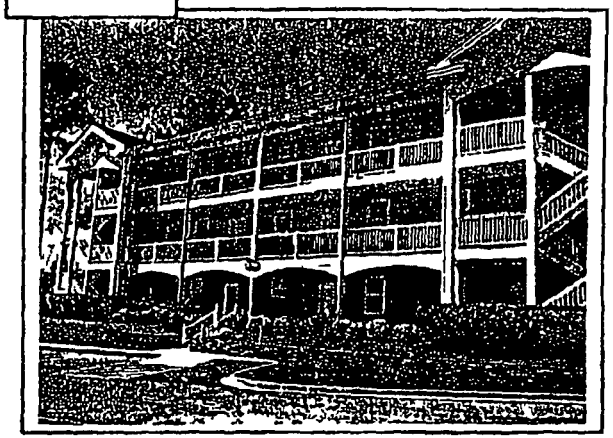


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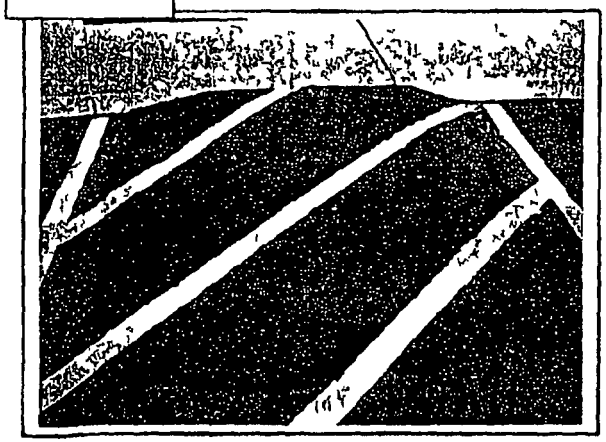
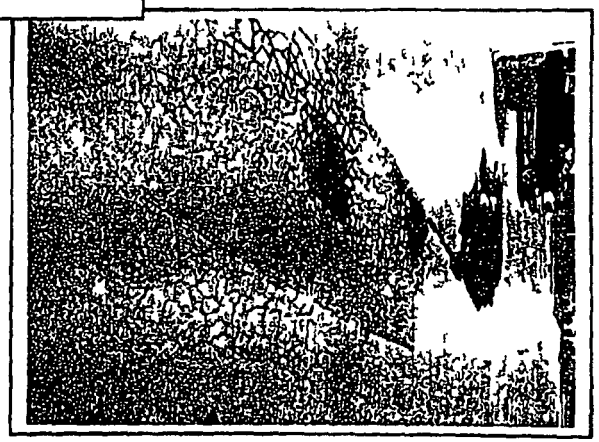


PHOTO 4



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Project **Riverwalk**
Subject. Annual Maintenance Survey
Photograph Page 1

APP_1800
ROA_1794

PHOTO 5



PHOTO 6



PHOTO 7

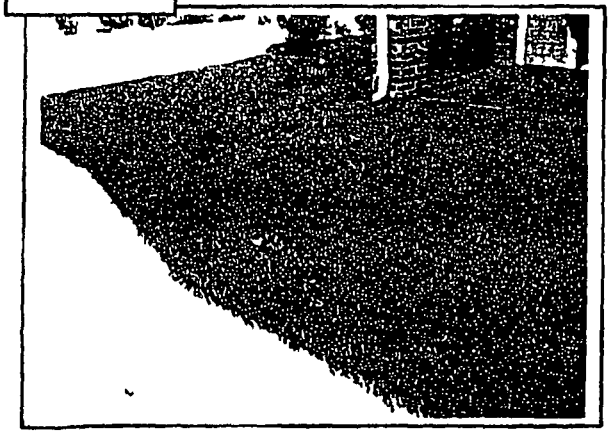


PHOTO 8



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PHOTO 9

PHOTO 10

PHOTO 11

PHOTO 12

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APP_1802
ROA_1796

PHOTO 13

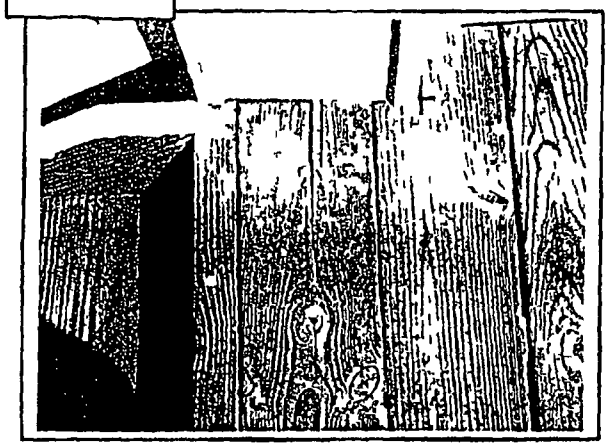


PHOTO 14



PHOTO 15

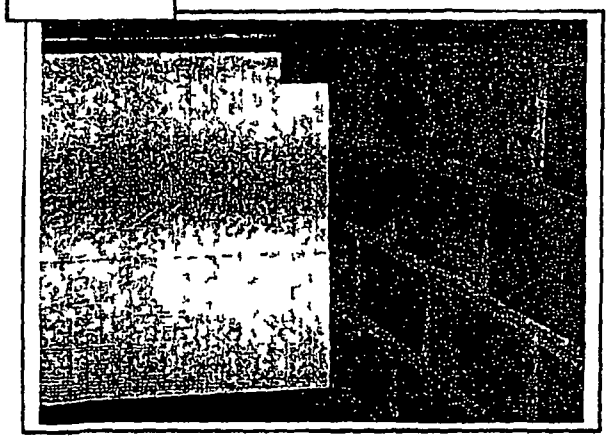
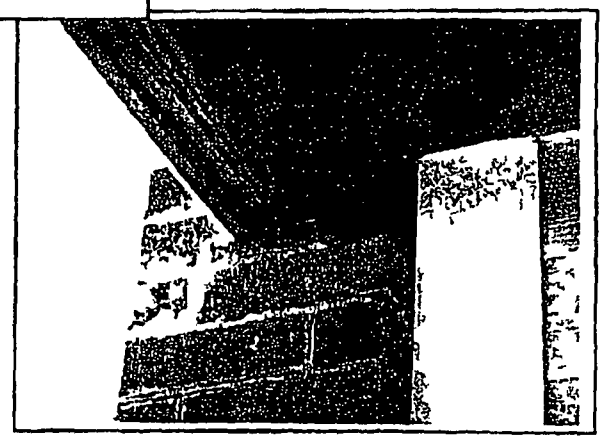


PHOTO 16



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APP_1803
ROA_1797

PHOTO 17



PHOTO 18

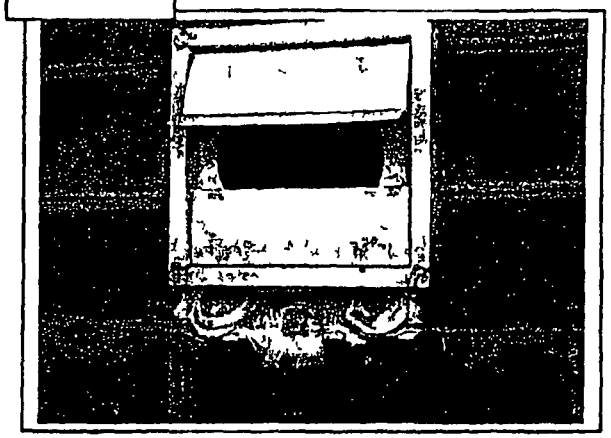


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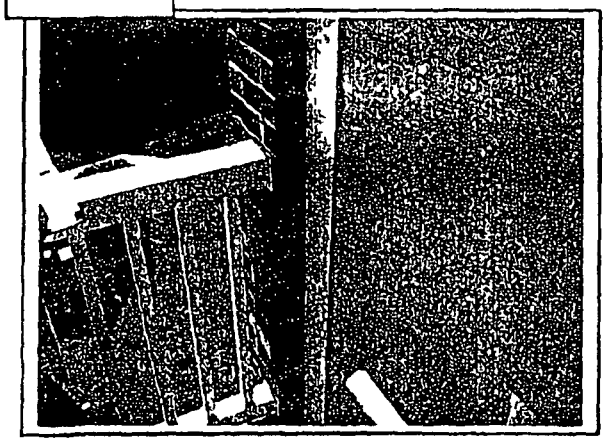
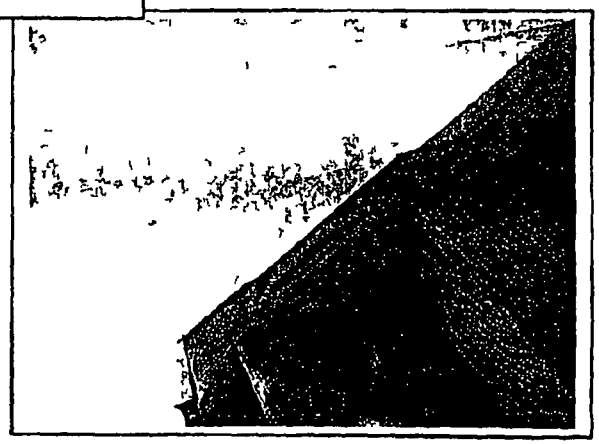


PHOTO 20



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Project Riverwalk
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PHOTO 21

PHOTO 22

PHOTO 23

PHOTO 24

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Project. **Riverwalk**
Subject. Annual Maintenance Survey
Photograph Page 6

PHOTO 25



PHOTO 26



PHOTO 27

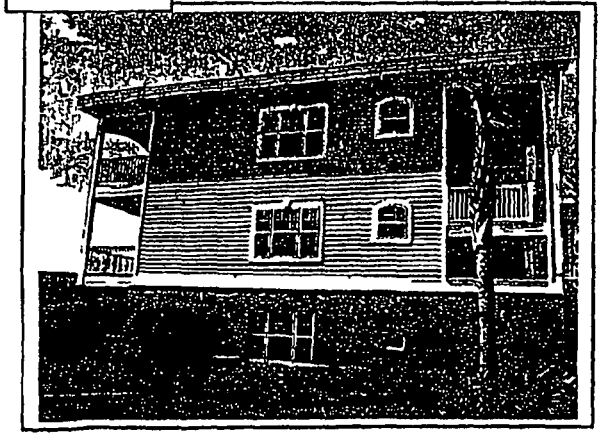


PHOTO 28



APP_1806
ROA_1800

PHOTO 29



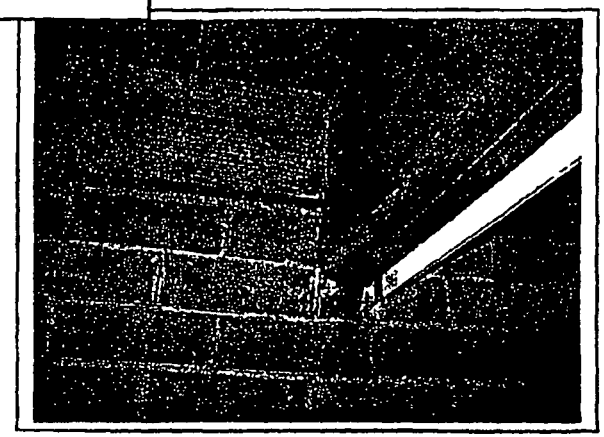
PHOTO 30



PHOTO 31



PHOTO 32



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Project Riverwalk
Subject. Annual Maintenance Survey
Photograph Page 8

APP_1807
ROA_1801

APP_1808

ROA_1802

PHOTO 33

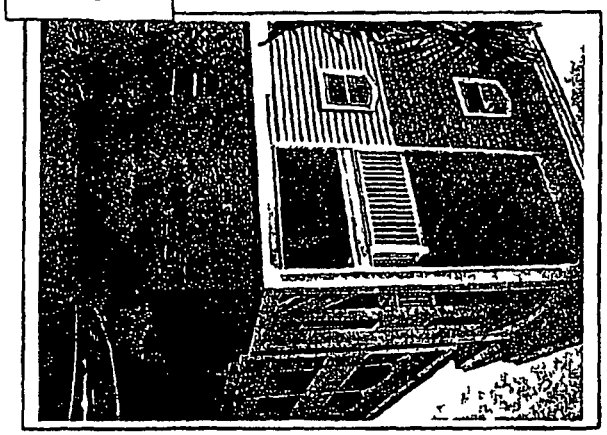


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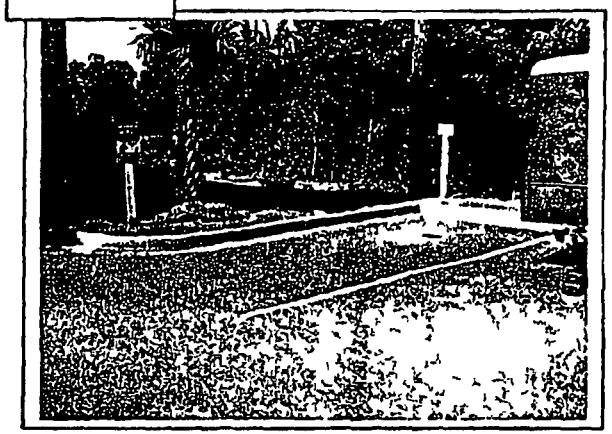


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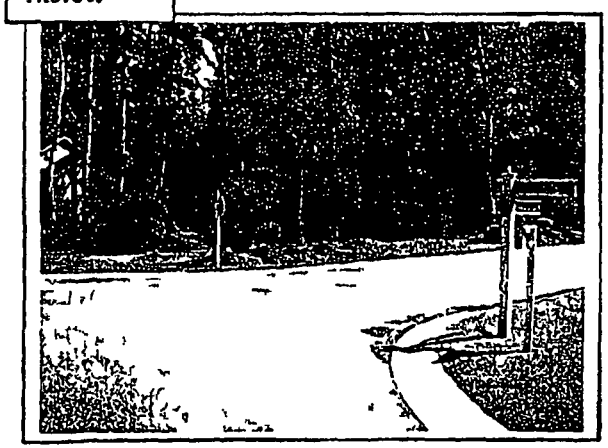
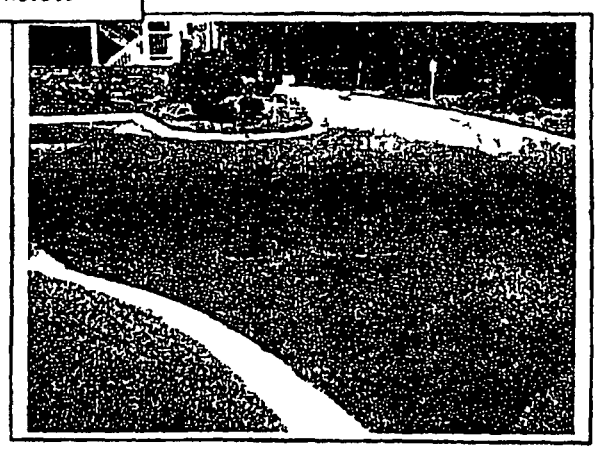


PHOTO 36



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PHOTO 37



PHOTO 38

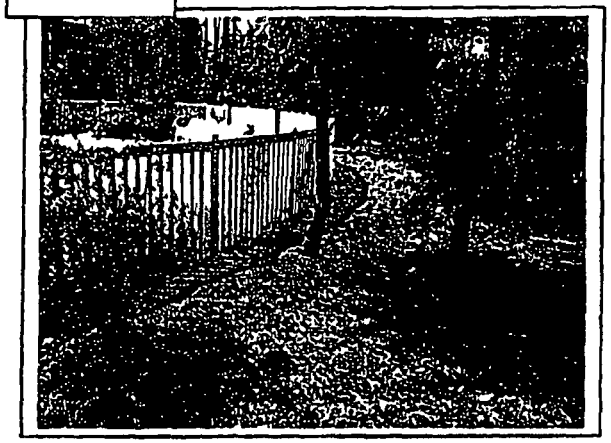


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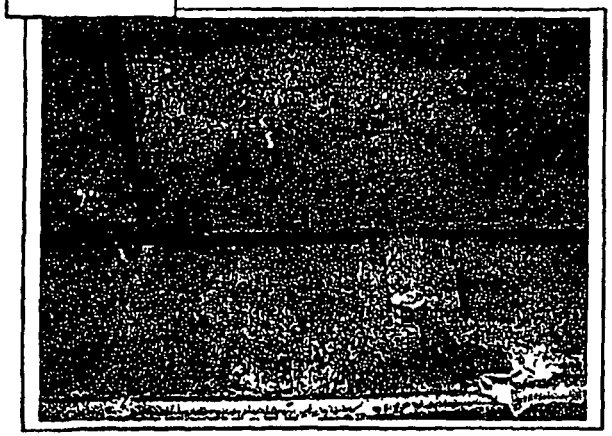
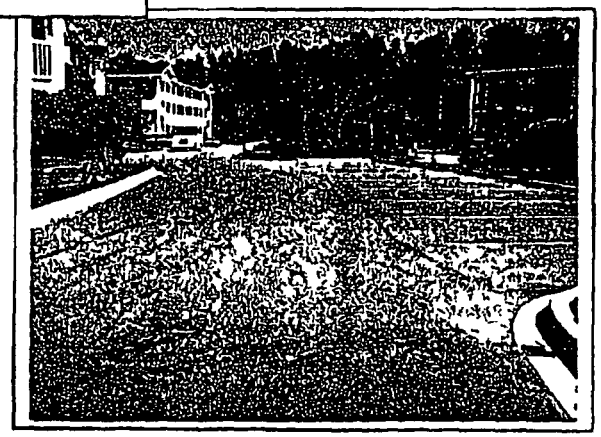


PHOTO 40



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Project. **Riverwalk**
Subject. Annual Maintenance Survey
Photograph Page 10

APP_1809
ROA_1803

PHOTO 41

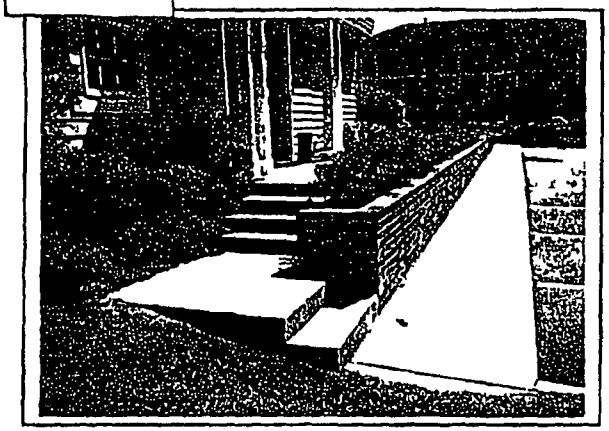


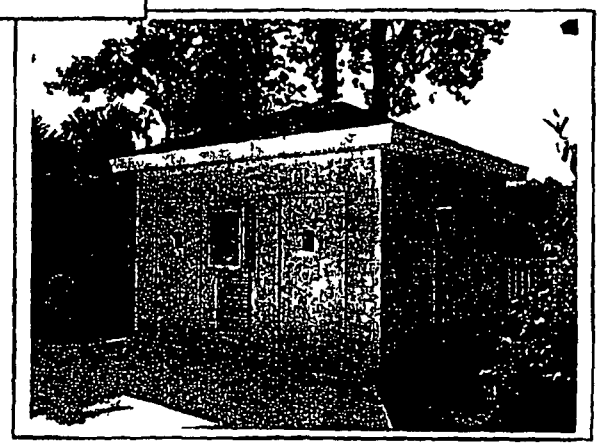
PHOTO 42



PHOTO 43



PHOTO 44



APP_1810

ROA_1804

PHOTO 45

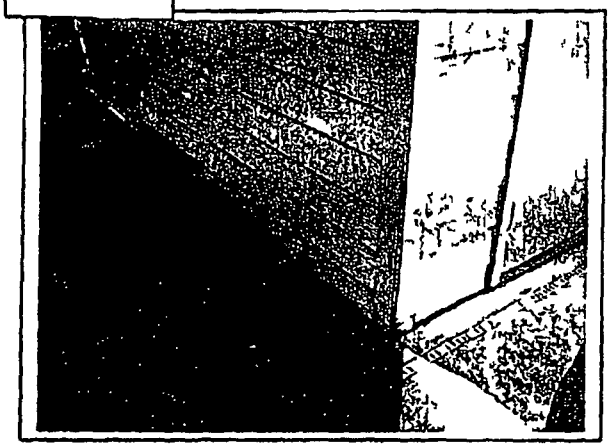


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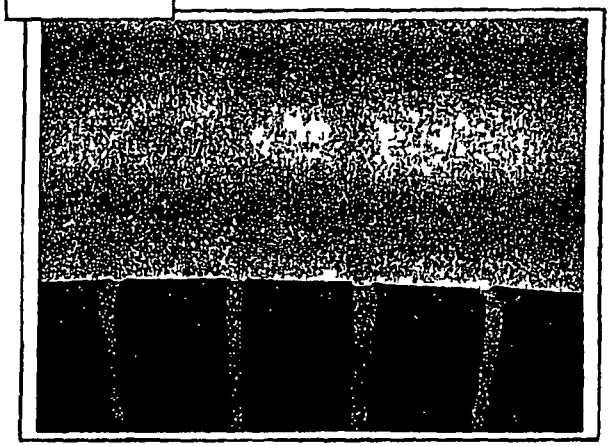
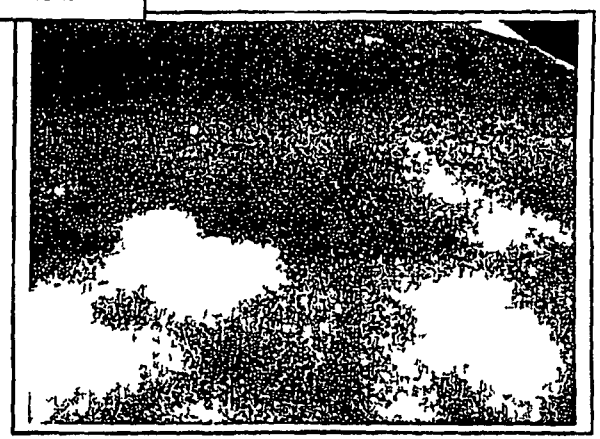


PHOTO 47



PHOTO 48



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APP_1811
ROA_1805

PHOTO 49



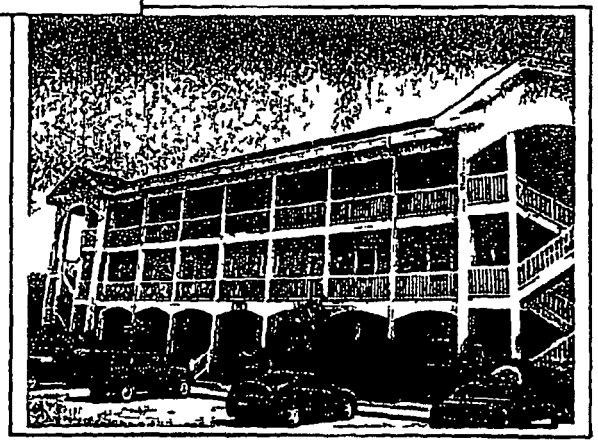
PHOTO 50



PHOTO 51



PHOTO 52



APP_1812

ROA_1806


PLAINTIFF'S EXHIBIT 12
WELCOME TO OUR COMMUNITY...
HOME SWEET HOME
WARRANTY MANUAL

Heritage Communities, Inc
Limited Warranty Manual

Information Regarding The
Final Repairs and Warranty Policies
For Your New Home

All guidelines and policies outlined in this manual have been based on the Residential Construction Performance Guidelines, 1996 edition, written and edited by the National Association of Home Builders, and from a Declaration of Principles adopted by a Committee of the American Bar Association

ROA_1808

TABLE OF CONTENTS

I	Introduction		
	I A	Our Building Philosophy	1
	I B	Overview of Warranty & Guarantee	2
	I C	Who Is Responsible For What?	5
	I D	What You Can Expect From The Developer	7
	I E	The Heritage Communities Inc Home-Owning Process	15
II	Getting Into Your New Home		
	II A	Orientation checklist	16
	II B	60-Day Final Service Request Form.	18
	II C	Permission To Enter Unit	19
	II D	Rules & Regulations	20
III	Specific Warranty Information		
	III A	Introduction	21
	III B	Equipment	22
	III-C	Structural	24
	III D	Settlement, Shrinkage, Condensation	25
	III E	Non Structural	26

1 - A OUR BUILDING PHILOSOPHY

There s an old saying in the construction business which says Price quality speed, you can pick any two of the three The point is you can t always have everything in a given situation go perfectly There s almost always a sacrifice with this in mind, Heritage Communities, Inc (HCI) still tries to provide these three elements in each of its real estate transactions We think it s possible to provide all three and sull offer a value priced home with quality construction

PRICE

We have researched the local real estate market and our competitors and firmly believe there isn t a better real estate value anywhere that can match what you get from Heritage Communities, Inc We have developments throughout the Carolinas and in every one of them our homeowners have seen their homes appreciate in value in short periods of time

QUALITY

We encourage potential homebuyers to compare us to other developments because we know our exterior detailing landscaping and amenities have no rival in our price range We also know our attention to details like ceramic tile, crown moldings, chair railing and brass faucets and hardware add beauty and value to your home if you ever want to resell it.

However there is one thing we need to share with you right from the beginning and that is we simply cannot deliver a perfect home to you It s quite impossible We can work at fine tuning and tweaking things to get them right, but we will never get everything perfect, and you probably won t either If you ve ever owned a home before, you know a home always requires work.

SPEED

We think we make remarkable progress getting our homes started and completed However as many of you are aware, often there are situations that are simply beyond our control that slow us down thus prolonging your wait to get into your new home For example, a shortage of sheet rock slowed us down several weeks at one of our communities recently

So even though circumstances may indicate otherwise, we do try to provide Price, Quality & Speed in all of our home buying transactions

I B OVERVIEW OF WARRANTY & GUARANTEE

The construction of a new home is a very complicated and comprehensive process Did you know your new home contains more than 25 000 individual parts and pieces? That means there are a lot of materials fixtures people, manufacturers sub-contractors and factors that must be coordinated

Earlier in the manual, the different levels of responsibility for the care and maintenance of your villa were mentioned. At this point we would like to give you some additional explanation of these responsibilities

PHASE 1 – 1-60 Days

Pre-Closing Walk Through

Just before you closed your new home our Quality Assurance Manager met you at your unit and walked through the rooms with you for the purpose of identifying things within the unit that required attention.

This walk-through inspection is very important because it is the definitive list of things that must be done to put the finishing touches on your villa. This list is called a 'punch list."

- Our Quality Assurance representative will be very thorough in this inspection, if you expect to have things repaired at our expense they must appear on this list

  We have this policy because there are many things that happen to a home after people begin living in it that Heritage Communities, Inc is not responsible for The original punch list serves as the primary benchmark for basing decisions regarding who is responsible for what.

- When the inspection is completed you will receive a copy of the punch list. We will also provide a copy to our Quality Control Department.

- Your punch list will include 2 different types of repair work.

  First there are the minor touch up or "cosmetic , items our Quality Control team will complete for you. There are also items that must be performed by 3rd party vendors or sub-contractors These items are called "trade punch.

  Here, we must ask your patience We can control the scheduling of our teams but we must rely on the sub-contractors to set their own schedules We monitor the responses of our sub-contractors on a daily basis, but it can take several weeks to get some sub-contractors back to do trade-related punch list work.

Response Time

During this initial 60 day phase we will respond to your needs at the appropriate level

High Priority – Emergencies

If you or your possessions are in danger, we will do our best to respond immediately, at any time of the day or night. At most of our communities, we have a 24-hour emergency alert system in effect for your convenience and safety

Medium Priority – Functional Problems

If there is something in your villa that isn't functioning properly or is causing discomfort for you, we will do our best to respond within 72 hours

Low Priority – Cosmetic Problems

Touch-up painting cleaning, scrapes, dents, etc are considered cosmetic items You will be given a blank punch list form at your closing so you can list these cosmetic items At the end of the initial 60 day warranty period we will send a quality control team in to complete the list for you.

At the end of this 60-day period you will assume responsibility for the care cleaning and maintenance of your new home After the 60 day period and after these cosmetic repairs have been completed, you will be responsible for any cosmetic item repair

PHASE 2 – 1 Year From Closing

Limited Warranty

Your new home is covered by the Heritage Communities, Inc Limited Warranty for 1 year from the closing date In the event you have difficulty with things within your unit, there are several different ways these problems will be handled.

For your appliance repair you will need to telephone the appliance vendor There is a sheet in this manual that provides all of the necessary telephone numbers You were given the warranty certificates at closing If you do not have them, please contact our Quality Assurance Department. Please keep them so you will have the correct model numbers and other pertinent information

If you have problems with workmanship or building materials you should contact our Homeowner Assistance Manager at 843-449-6200 ext. 251 You may also fax your requests 843-497-0861 In Charlotte, please call 704-505 7010 (fax 704-503 7050 These types of items include leaking windows, fixtures that will not work, and mechanical difficulties

PHASE 3 – On-going Maintenance Items

Homeowners Association

In multi family communities a homeowners association is set up to handle the common interests of the homeowners Your monthly HOA fee includes monthly pest control, basic cable and insurance and the upkeep of the common areas such as the swimming pool and landscaping

The homeowners' association is responsible for

- Exterior maintenance of the buildings, stairs, decks handrails, walls, landscaping and the roof If you experience any problems call the HOA. They will contact us if it is a builder's issue
- Routine long term maintenance like painting, power washing and re-roofing, exterior caulking carpeting, etc

If you experience problems or have concerns in these areas you should contact the association manager for your community

Magnolia North, Riverwalk, The Gardens, Avian Forest and Azalea Lakes

The Noble Company
Jennifer Harmon
1211 48th Avenue North
Myrtle Beach, SC 29577
843-449-6007

Heatherstone

Association Management Group
Paul Mengert
211 Main Street
Pineville NC 28134
704-889-7500

I - C WHO IS RESPONSIBLE FOR WHAT?

1) **The Heritage Communities, Inc. 1- Year Limited Home Warranty Against Defects In Materials and Workmanship**

If there is a failure in any material caused by the manufacturing of that product or a failure caused by the installation process Heritage Communities Inc. will provide for the timely repair of the material

Examples
- a non functioning light fixture
- a non functioning air vent
- a crack in a plumbing fixture

2) **Routine Maintenance Service**

Routine maintenance consists primarily of caulking, grouting, cleaning, adjusting and painting. All of these items are considered responsibilities of the homeowner, after the initial punch list has been recorded.

3) **Please observe our chain of command for having repair work done in your home.**

As you can understand, we have a lot of demands on our service personnel. We have new units being built, others being readied for closing and the on-going repair work for current homeowners

Please make sure you always go through the proper procedure for arranging to have repair or service work done in your unit.

For the most efficient handling of your service request you should fax your request to our Homeowner Assistance Manager

Myrtle Beach 843-497 0861 Charlotte 704-503 7050

Our on-site personnel are instructed to give you these numbers They are not allowed to respond to your direct requests for service because doing so would disrupt our scheduling and monitoring procedures We thank you for your cooperation regarding this procedure

(4) **If you have emergencies please call**

Magnolia North Azalea Lakes Riverwalk The Gardens Avian Forest	During business hours contact our Homeowner Assistance Dept 843-449 6200 ext. 251 After hours call the same number and follow the emergency instructions
Heatherstone	During business hours contact our Homeowner Assistance Department at 704-503-7010 After hours call Association Management Group 889-7500

(5) **Warranty Limits**

Items that cannot be covered unless noted on the Pre-Closing Walk Through Punch List form are those defined as cosmetic items These items include, but aren t limited to nicks scratches scuffs scrapes, gouges dents etc

ON

- Walls & ceilings
- Counter tops & vanity tops
- Tubs, sinks, showers
- Appliances
- Flooring and carpet
- Doors, cabinets and trim

(6) **Warranty Exclusions**

The limited warranty coverage from Heritage Communities Inc as set forth in this manual does NOT include the following

a) Any items not specifically identified in this manual as being covered under the limited warranty

b) Any defects in, caused by or resulting from materials or work supplied by anyone other than Heritage Communities Inc or Buildstar employees, agents or subcontractors

c) Normal wear and tear or normal deterioration

d) Any damage to the extent it is caused or made worse by

Negligence, improper maintenance or improper operation by anyone other than Heritage Communities or Buildstar employees, agents or subcontractors

Failure by the homeowner or by anyone other than Heritage Communities Inc or Buildstar employees, agents or subcontractors to comply with the warranty requirements of manufacturers of appliances fixtures and items of equipment.

Failure of homeowner to give notice to Heritage Communities of any defects within a reasonable time.

Changes alterations or additions made to the unit by anyone after closing.

Dampness or condensation caused by the failure to maintain adequate ventilation.

e) Loss or damage which the homeowner has not taken timely action to minimize

f) Loss or damage not otherwise excluded under this limited warranty which does not constitute a defect in the construction of the Heritage Communities, Inc. villa by its employees agents, or subcontractors.

g) Loss or damage caused by or resulting from accidents riot, and civil commotion, fire, explosion, smoke, water escape falling objects aircraft, vehicles Acts of God, lightning, windstorm, hail, flood, mudslide, earthquake, volcanic eruption, wind driven rain, and changes to the underground water table which were not reasonably foreseeable

h) Loss or damage caused by the installation of equipment or fixtures not allowed by or approved by Heritage Communities Inc

If the homeowner installs anything in a Heritage Communities, Inc unit and it causes damage to another person s unit, the homeowner will be responsible for any costs incurred to repair the other unit.

I D WHAT YOU CAN EXPECT FROM THE DEVELOPER

Heritage Communities Inc is committed to delivering the quality it promises However, as we have said earlier no HCI home is going to be 100% perfect when it is delivered Outlined below are some of the most often asked about punch items along with what you can expect from Heritage Communities, Inc regarding each particular item

If any of these items occur in your unit please make sure you note it during your Pre-Closing Walk Through Inspection with your Quality Assurance representative.

– **Walls** 1A **Observation** Wood framed wall is out of plumb

Performance Guideline Wood framed walls shall not be more than 3/8 ' out of plumb for any 32 inches in any 8 vertical measurement

Corrective Measure The contractor shall repair to meet the performance guideline

1B **Observation** The wall is bowed.

Performance Guideline All interior and exterior walls have slight variances in their finished surface Walls shall not bow more than ½ ' out of line within any 32' horizontal measurement, or ½ within any 8' vertical measurement.

Corrective Measure The contractor will repair to meet the performance guideline

1C **Observation** The exterior wall leaks because of inadequate caulking

Performance Guideline Joints and cracks in exterior wall surfaces and around openings shall be properly caulked to prevent the entry of water

Corrective Measure The contractor will repair or caulk joints and cracks in exterior wall surfaces as required to correct deficiencies, one time only during the warranty period Even when properly installed, caulking will shrink and must be maintained by the owner

– **Windows** 2A **Observation** Window is difficult to open or close

Performance Guideline Windows should require no greater operating force than described in the manufacturer s specifications

Corrective Measure The contractor will correct repair as required to meet the performance guideline

2B **Observation** Window glass is broken and/or screen is damaged.

Performance Guideline None.

Corrective Measure Broken glass or screens not reported to the contractor during the pre-closing walk-through are the owner's responsibility

2C **Observation** Scratches appear on surfaces of glass

Performance Guideline Glass surfaces shall not have scratches visible from 10 feet under normal lighting conditions

Corrective Measure The contractor shall replace any scratched glass if noted at the pre-closing walk through.

2D **Observation** During rains, water appears on interior of glazed window unit.

Performance Guideline Water leakage from improper installation is unacceptable

Corrective Measure The contractor shall repair any deficiencies attributed to improper installation.

– **Doors** 3A **Observation** Exterior door is warped.

Performance Guideline Exterior doors shall not warp to the extent that they become inoperable cease to be weather-resistant, or exceed National Wood Window and Door Association standards of ¼ measured diagonally from corner to corner

Corrective Measure The contractor will correct or replace exterior doors that do not meet the performance guideline

3B **Observation** Gaps are visible around exterior door edge door jamb or threshold

Performance Guideline Gaps shall not vary greater than 3/16"

Corrective Measure The contractor will repair existing unit to meet performance guideline

5B **Observation** Interior light fixtures tarnishes

Performance Guideline Finishes on light fixtures may be covered under manufacturer s warranty

Corrective Measures None

– **Climate Control**

6A **Observation** Air infiltrates around door and window

Performance Guideline Some infiltration is usually noticeable around doors and windows especially during high winds No daylight shall be visible around frame when window or door is closed

Corrective Measures The contractor shall repair to meet the performance guideline

6B **Observation** Condensation or frost appears on window

Performance Guideline Windows will collect condensation on their interior surfaces when extreme temperature differences and high humidity levels occur Condensation usually results from humid conditions within the home that are created by the owner

Corrective Measures Unless the window condensation or frost is directly attributed to faulty installation, it usually results from conditions beyond the control of the contractor No corrective action is required.

6C **Observation** Condensation line clogs

Performance Guideline None

Corrective Measures Condensation lines will eventually clog under normal use The owner is responsible for maintaining them in that condition.

– **Interior Doors**

7A **Observation** Bifold doors come off tracks during normal use

Performance Guideline Bifold doors shall slide properly on their tracks when the pre-closing walk through is conducted

Corrective Measure The contractor will repair any bifold door that will not stay on its track during normal operation, one time during the warranty period.

7B **Observation** Door drags on carpet.

Performance Guideline Doors shall not drag on carpet

Corrective Measures The contractor will repair the door to meet the performance guideline

7C **Observation** Door edge is not parallel to door jamb

Performance Guideline The door edge shall be within 3/16" of parallel to the door jamb

Corrective Measures The contractor will adjust the door as necessary to meet the guideline

– Trim 8A **Observation** Gaps at non-mitered joints of trim and moldings

Performance Guideline Openings at joints in trim and moldings, and at joints between moldings and adjacent surfaces, shall not exceed 1/8" in width at the time of the pre closing walk-through

Corrective Measures The contractor will repair defective joints to meet performance guidelines

8B **Observation** Nails are not properly set or, where putted, nail holes are not properly filled

Performance Guideline Setting nails and filling nail holes are considered part of painting and finishing. After painting or finishing, nails and nail holes shall not be readily visible from a distance of 6 feet under normal lighting conditions.

Corrective Measures Where the contractor is responsible for painting, the contractor shall take the action necessary to meet the performance guideline

8C **Observation** Trim or molding miter edges do not meet.

Performance Guideline Gaps between miter edges in trim and molding shall not exceed 1/8 at the pre closing walk through.

Corrective Measures The contractor will repair gaps that do not meet the performance guideline Caulking or puttying with materials compatible to the finish is acceptable

8D **Observation** Interior trim is split

Performance Guideline Splits cracks and checking are inherent characteristics of all wood products, and are not a defect

Corrective Measures None

– Counters 9A **Observation** Counters do not meet ceilings or walls

Performance Guideline Gaps in excess of ¼ are unacceptable

Corrective Measures The contractor will repair the gap with caulk, putty or scribe molding or he will reposition/reinstall cabinets to meet the performance guideline

9B **Observation** Scratches on solid surface countertops

Performance Guideline Solid surface countertops shall be free of scratches at the time of the pre-closing walk through

Corrective Measures The contractor will repair to meet the performance guideline

– Walls 10A **Observation** Cracks are visible on finished wall or ceiling

Performance Guideline Cracks shall not exceed 1/16' in width

Corrective Measures The contractor will repair cracks exceeding 1/16" in width only once during the warranty period. A perfect match between the original and the new paint cannot be expected and the contractor is NOT required to paint an entire wall or room.

10B **Observation** Nail pop blister or other blemish is visible on finished wall or ceiling

Performance Guideline Any such blemishes that are readily visible from a distance of 6 feet under normal lighting conditions are unacceptable

Corrective Measures The contractor will repair such blemishes only once during the warranty period.

10C **Observation** Mildew or fungus is visible on interior painted surfaces

Performance Guideline Painted and finished surfaces shall be free of observable mildew and fungus at the time of the pre closing walk through However mildew and fungus may form on painted surfaces over time because of heat and moisture

Corrective Measures The contractor will remove mildew and fungus before completion of the job Subsequent mildew or fungus formation is a condition the contractor cannot control The owner is responsible for future cleaning of the painted item as necessary to remove mildew and fungus

10D **Observation** Interior paint does not cover the underlying surface.

Performance Guideline The surface being painted shall not show through new paint when viewed from a distance of 6' under normal lighting conditions

Corrective Measures **The contractor will re-coat as necessary to meet the guideline and match** surrounding areas as closely as practical

10E **Observation** Brush marks, lap marks spatters, show on interior painted surfaces

Performance Guideline Brush marks, lap marks or spatters shall not be readily visible on interior painted surfaces when viewed from a distance of 6 under normal lighting conditions

Corrective Measures The contractor will refinish as necessary to meet the Guideline

--Floors 11A **Observation** Carpet does not meet at the seams

Performance Guideline It is not unusual for carpet seams to show However a visible gap at the seams is not acceptable.

Corrective Measures The contractor is responsible for eliminating visible gaps at carpet seams

11B **Observation** Carpeting loosens, or the carpet stretches

Performance Guideline When stretched and secured properly wall to-wall carpeting installed as the primary floor covering shall not come up loosen or separate from the points of attachments

Corrective Measures The contractor is responsible for having the carpeting re-stretched or re-secured as necessary to meet the guideline

11C **Observation** Spots or minor fading are visible on the carpet

Performance Guideline Exposure to natural light may cause spots on and minor fading of the carpet

Corrective Measures None

11D **Observation** Tile, brick, marble or stone flooring is broken or loose

Performance Guideline Tile, brick, marble and stone flooring shall not crack or loosen.

Corrective Measures The contractor will replace cracked tiles and re secure loose tiles unless the defects were caused by the owner s actions The contractor is not responsible for discontinued patterns or color variations when replacing tile Any defects must be noted on the pre-closing walk through.

11E **Observation** Cracks appear in grouting of tile joints or at junctures with other material such as a bathtub

Performance Guideline Cracks in grouting of ceramic tile joints commonly result from normal shrinking conditions

Corrective Measures The contractor will repair grouting if necessary, one time only during the warranty period. The contractor will not be responsible for color variations or discontinued colored grout. The owner is responsible for re grouting these joints during the life of the home

II A ORIENTATION CHECKLIST

Homeowner's Name _____ Date _____

____ Discussion of	Caulking	Heritage Communities Inc (HCI) does not warranty indoor caulking after the first caulking
	____	Check caulking in kitchen.
	____	Check caulking in bathroom.
	Cabinets	HCI will adjust inoperative cabinet components one time only within first 60 days
	Countertops	Re-caulking is a homeowner maintenance item.
		Inspect for scratches, glue and imperfections during Pre-Closing Walk Through
	Flooring	Discoloration due to sunlight, stains residue from shoes, or damage caused by rugs or other items placed on top of carpet are not covered under warranty
	Tile	HCI will not warrant any damage to tile flooring unless it is noted on the Pre-Closing Walk-Through form.
	Carpeting	Seams will show Carpet will mat down, especially in high traffic areas This is normal, and therefore, not warrantable
	Walls & Ceilings	HCI will execute drywall repairs one time only during the 60-day warranty period.
	____	Check seams in sheet-rock
	____	Check around all sprinkler heads (where applicable)
	Windows	During cold weather conditions condensation could occur and cause moisture build up on the sashes. This is a common occurrence and is not a warranty item.
	Doors	Check weather stripping at entry door
		Check "play" in interior doors.
	Bathroom	Check for stickers on lights, cabinets, etc.

____ Check for all switch plates.

____ Check all windows to be sure screens have been installed and all move properly

____ Discussion of New Home Owner Information Form.

____ Complete Pre Closing Walk-Through Form and make notes of any items needing attention.

____ Discuss 60-Day Final Walk Through procedure

____ Sign Permission Form to enter unit in your absence

II B 60 DAY FINAL SERVICE REQUEST FORM

Date of Closing_____ Today's Date _____

Community_____ Building # _____ Unit # _____

Homeowner's Name _____

Address _____ State _____ Zip _____

Home Phone # ____ - _____ Unit Phone_____ Fax # _____

We the undersigned, hereby declare that we have had possession of our villa for 60 days and have noted the final warranty items that need to be resolved below We now accept our unit in its present condition with the exception of the items listed below After the items have been completed, we accept full responsibility for the care maintenance and upkeep of our unit. We understand the builder/developer agrees to correct these items within a reasonable time

Item	Location/Description
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

Comments

Unit Accepted By _____ Date _____

Quality Control Agent _____ Date _____

II – C PERMISSION TO ENTER UNIT FORM SAMPLE

Heritage Communities, Inc.
4728 Jenn Drive
Myrtle Beach, SC 29577
843-449-6200

TO New Homeowner

SUBJECT Permission To Enter Unit

Often it is necessary to enter your unit to perform service and repair projects. Your signing this form allows us to enter your unit during normal business hours.

Community Building # Unit #

Owner s Name

Daytime Phone Evening Phone

Spouse s Daytime Phone

Cell # s

Fax #

Agency or contact person if your unit will be in a rental program

Phone #

All repair requests must be called or faxed to

Myrtle Beach	Myra Smith,	Homeowner Assistance Manager	Phone 843-449 6200 EXT 251	Fax 843-497-0861
Charlotte	Louise Meetze	Homeowner Assistance Manager	Phone 704-503 7010	Fax 503 7050

I, _____ authorize Heritage Communities, Inc. to enter my condominium for the purpose of completing punch work and warranty repairs which I or my rental agent have requested.

Date Signature

NOTE
When we enter your unit the repair person will leave a Heritage Communities Inc yellow door hanger on your front door to notify you that someone has been inside your unit. A card will be left on your kitchen counter outlining the work that was done

II D RULES & REGULATIONS

When you close on your new Heritage Communities Inc home not only are you purchasing an individual piece of property you are also becoming part of a community of other homeowners Each Heritage Communities Inc complex has its own unique rules and restrictions designed to protect the interests of its homeowners Please be sure to read all of the documents you have been given regarding your community Outlined below is a condensed version of the most relevant rules

Introduction

Heritage Communities Inc homes are built in communities that have a recorded Declaration of Covenants, Conditions and Restrictions. These covenants run with the property and are binding on all homeowners and should be fully understood. They are designed to cover every home, in order for the standards of design quality to be maintained. For example, you probably wouldn't want your next door neighbor to paint his front door electric pink. These covenants are designed to enhance the community's environment and protect its property values.

The covenants, conditions and restrictions may cover a variety of community issues such as
Design or paint changes to your unit's exterior i.e. porch, storm doors etc.

Antenna, dog houses fences, landscaping, signs or other modifications to your unit.

Storage of boats, trailers, RV's and other vehicles on the property

There is no use of motorcycles allowed on site

Activities that may be considered unacceptable by your neighbors

Homeowners Association

Heritage Communities Inc. properties have homeowner associations. These are non-profit corporations formed to carry out specific community activities These activities can vary from maintaining landscaping and securing homeowners insurance to running recreation facilities

You are requested to read all documents pertaining to your homeowners association carefully to understand what requirements and benefits you will be able to obtain from your association.

Homeowners Associations require dues for membership Paying these dues is a condition of your financing. It is imperative that you understand your financial obligation to your HOA

Your guests or renters are expected to follow the rules and regulations adopted and approved by your Board of Directors Any violation of these rules by guests or renters can result in a fine and subsequent lien against your individual unit.

III. A. INTRODUCTION

One thing we have learned over the years is that there is often confusion surrounding the warranties that apply to a new Heritage Communities Inc. home. In this section, we have outlined the warranties that are guaranteed by the manufacturers of the products. Heritage Communities and its subcontractors will fully warrant material and installation of said items for a period of 1 year.

The Heritage Communities Inc. warranty covers parts and labor for a period of 1 year. Any installation or labor charges after one year will be the responsibility of the homeowner.

III B EQUIPMENT

1)Electric Heating	Heritage Communities Inc (HCI) and its subcontractors fully warrant the installation of your electric heating system.
	The manufacturer warrants the system to be free from defects in material and workmanship for a period of 1year
	The manufacturer warrants the compressor and all other parts and labor Your heating and air conditioning sub-contractor can provide the exact details
NOTE	It's recommended that you change your filter every 30 days to keep your warranty in effect. Keep your thermostat set at a constant temperature rather than continually changing it up and down. Do not store combustible materials near your air conditioning unit.
2) Water Heater	Heritage Communities Inc (HCI) and its subcontractors fully warrant the installation of your electric water heater
	The manufacturer warrants the system to be free from defects in material and workmanship Contact the plumbing contractor for exact details.
NOTE	Do not store combustible materials near your water heater unit.
3) Plumbing	Plumbing fixtures and devices are warranted for 1 year The water and drainage pipes in the system are under warranty by HCI and its subcontractor for a period of 1 year
	This warranty covers major defaults such as waterlines separating faulty equipment and faulty installation. It does NOT cover damage to frozen pipes or overflowing bathtubs or toilets.
	Leaks occurring after 1 year are not covered by HCI.
	Plumbing leaks must be reported to our plumbing sub-contractor immediately Call our Homeowner Assistance Department and we will contact them for you We are not responsible for damage due to any negligence by the homeowner to protect the unit from damage
	IN THE EVENT OF A LEAK, USE THE CUT OFF VALVE TO STOP WATER FLOW (The toilet shut off is located near the floor in the back of the toilet)
4) Electrical System	HCI warrants your electrical system for a period of 1 year
	HCI warrants the wiring for a period of 1 year
	Repairs and alterations made to the electrical system by anyone other than the installing electrician voids the warranty
	All circuits in your home are protected by automatic circuit breakers No fuses are required. After any electrical failure, check your circuit breaker first. You should also check the GFI outlets in the kitchen and bathrooms

5) Major Kitchen Equipment

HCI warrants the installation of major kitchen appliances only All other equipment and appliances are covered by the manufacturer For warranty service on major kitchen equipment, please call the manufacturer's service number provided in the new homeowner s information package received at closing

Make sure you complete and mail in the warranty certificate for your appliances.

If you are unable to locate this certificate, please call our Homeowner Assistance Department.

III C STRUCTURAL

Local city and county inspectors make inspections on the footing and slab before they are poured. The framing, plumbing heating and electrical systems are inspected during the building process and when the building is complete These inspections are made by qualified individuals employed by the building inspection department to ensure that your home complies with all local building codes
HCI considers the following items to be of a structural nature and covered under this warranty All of these items are warranted through applicable state and local laws.

1) Foundation	HCI warrants the foundation against abnormal settlement.
	This does not mean that a foundation will not crack. However HCI will repair any cracks exceeding 1/2" within the first year of occupancy
	Your home has been treated for termites during construction. Your home is warranted against termites for 1 year If you experience any problems with pests of any kind, contact the homeowners association.
2) Concrete Slab	HCI warrants the concrete slab against abnormal settlement.
	Normal expansion cracks are expected. It is normal for a concrete slab floor to be slightly irregular
	Any cracks that exceed 1/4" will be repaired by HCI during the first year
3) Frame	HCI warrants the framing against construction defects
	Due to the natural movement of wood or aluminum framing during the first year, as the home settles, and interior cooling and heating occur it is normal for interior and exterior walls to have slight variances on their finished surfaces If a wall has more than 1/4 inch-bow out of line within a 32 horizontal or vertical measurement, the condition will be corrected.
	Floor squeaks and loose sub-floors are often temporary conditions common to new construction. A squeak proof floor cannot be guaranteed.

III D SETTLEMENT SHRINKAGE, CONDENSATION

A) Shrinkage

Shrinkage occurs when there is a decrease in the moisture content and contraction of the building materials

Every effort has been made to minimize shrinkage in your new home. At this time, there is no known way to eliminate shrinkage in new buildings

The conditions outlined below are considered normal for a new structure Unless any of these items is of an extreme nature repair is the responsibility of the homeowner

Results of shrinkage

Exterior wood boards will expand and contract slightly and caulking may contract. These items are normal and should be checked and repaired by the homeowner

The wood trim and hardwood floors (if applicable) separate

Cracks appearing above doorways

Exterior and interior doors warp or bind.

Miter joints where trim meets corners open slightly

Base units of the kitchen cabinets appear to move from their original positions.

The above conditions are normal. Expect to see some of them after your first heating cycle.

2) Settlement

Settlement occurs when the earth beneath the footing compacts from the weight of the new building. It is normal and is expected for a new home to settle.

Settlement often causes slight cracks in concrete slabs These slight cracks are not harmful to the structure HCI does not warrant these slight cracks and irregularities.

3) Condensation

Condensation takes place when warm, moist air comes in contact with a cold surface, such as a cold window pane.

Condensation may appear on water pipes, commodes, and windows

Your new home has been tightly constructed and well insulated. Moisture can usually be eliminated with proper ventilation. If you experience extraordinary condensation, check your dryer vent for blockage and reduce heavy cooking and boiling

III E NON STRUCTURAL

The following items are not considered to be of a structural nature but are covered by the HCI limited warranty

HCI is committed to excellence in the cosmetic quality of your home at the time of closing and will note and repair all cosmetic items at your Pre-Closing Walk Through. After closing however HCI will not be responsible for making cosmetic repairs to your home

1) Interior & Exterior Doors	HCI warrants all doors against warpage exceeding 1/4" (measured diagonally)
	Do not be hasty in adjusting planing or cutting your doors They may correct themselves through normal wear and use
	Any door adjustment relative to warping, expanding etc will be made at the end of your 1 year warranty period.
2) Interior & Exterior Trim	It is normal for baseboards to slightly separate from the wall and for shoe molding to separate from the floor and baseboard. These conditions are not warranted and should be dealt with by the homeowner
	Cracks exceeding 1/4 in door and window trim at the joints will be filled and touched up at your 60 Day Final Walk Through.
3) Gypsum Wallboard	Often natural shrinkage and normal settling are mistaken for poor workmanship Drywall defects, such as nail pops and cracks are normal, but will be repaired without charge only if reported during the 60-Day Final Walk Through. After the first 60 days, these become a normal homeowner maintenance item.
	All drywall repairs will have the paint touched up but an exact color match cannot be guaranteed. HCI will repaint any wall which is damaged by HCI during the repair of structural items.
	If drywall is damaged by a plumbing or roofing leak caused by improper installation or faulty equipment within one year of closing the area will be repaired. We will not be able to guarantee a perfect paint match.
4) Interior Paint	HCI warrants the interior painting will not peel for a period of 1 year If this occurs HCI will scrape and repaint the immediate area and will try to match the paint as closely as possible
	All paint applications contain some minor imperfections HCI will only repair cosmetic paint items if they are noted on the Pre-Closing Walk Through form.
5) Ceramic Tile	HCI warrants the ceramic tile for a period of 1 year This warranty includes quality of adhesion and replacement of the tiles that crack due to shrinkage and settlement. Only the cracked tiles will be replaced.
	HCI will re grout, if necessary one time during the initial 60 day warranty period. After 60 days, cracks may continue to develop and will become a homeowner s maintenance item.

6) Bathtubs	HCI warrants bathtubs and showers to be free from manufacturer s defects and improper installation for 1 year Chips scratches gouges, etc. will not be warranted unless noted on the Pre Closing Walk Through form.
7) Cabinets & Counter Tops	HCI warrants the counter tops and cabinets against improper installation and manufacturer defects for a period of 1 year Any cracks, chips, gouges burns, scratches etc must be noted on your Pre Closing Walk Through form, otherwise HCI can assume no responsibility for these items
8) Carpet	HCI warrants the carpet against separation of seams and improper installation for a period of 1 year Due to the standard width of carpet rolls there is no way to avoid seams in your unit. These seams may be noticeable even with the best installation. In the event we have to repair your carpet every effort will be made to match the dye lot and texture But we cannot guarantee an exact color match.
9) Hardwood Flooring	HCI warrants the wood flooring against delaminating and improper installation for a period of 1 year Damage caused by pets or puncture marks from high heeled shoes is not warrantable Expansion and contraction is considered normal and is not warrantable.
10) Windows	HCI warrants broken window seals for a period of 1 year Only broken glass that is noted on the Pre-Closing Walk Through form will be replaced.



LOCATED ON MYRTLE WOOD GOLF COUSE
SALES CENTER 843-449-4409



LOCATED ON ARROWHEAD GOLF COURSE
SALES CENTER 843-236-6700



LOCATED ON CYPRESS BAY GOLF COURSE
SALES CENTER 843-280-8764



SALES CENTER 843-293-7374



LOCATED ON THE RESERVE GOLF COURSE
AT LITCHFIELD
SALES CENTER 843-237-4000



CHARLOTTE, NORTH CAROLINA
IN THE UNIVERSITY AREA
SALES CENTER 704-503-1103



HERITAGE COMMUNITIES, INC.
4728 JENN DRIVE • MYRTLE BEACH, SOUTH CAROLINA 29577
843-449-6200
WWW.HERITAGESC.COM

ROA_1834

FROM RIVERWALK at APPOINTED PHONE NO. : 843 236 8578 Sep 03 2008 11:44AM P2

BUILDSTAR CORPORATION
A subsidiary of Heritage Communities, Inc.

Tcy' cy/Bo-Ha
803 / 626-7631
Pamela - 446-5285
Eileen

Pelican Building Center
215 Lumber St
Myrtle Beach, SC

The following is the average expense that Buildstar corp is spending to repair the leaking BetterBilt windows purchased from Pelican Building Center. This price includes all exterior materials to stop and repair the water damage plus labor, it also includes all interior materials need to repair the interior of the units such as, painting, carpet pad replacement and carpet cleaning.

Number of windows with exterior brickmold:

2°x3°x2°x5° with halfround

Magnolia Place	270	
The Gardens	126	subtotal 540 @ $483.79 = $ 261,208.60
Riverwalk	144	

3°x3° with half round

Magnolia Place	90	
The Gardens	42	subtotal 150 @ $479.95 = $ 80,301.00
Riverwalk	48	

Number of windows without exterior brickmold,

2°x3°x2°x5° with halfround

Magnolia Place 180 subtotal 180 @ $705.15 = $126,927.00

3°x3° with halfround

Magnolia Place 60. subtotal 60 @ $705.15 = $ 42,309.00

Total $ 516,745.60

PLAINTIFF'S EXHIBIT 45

EXHIBIT G 12 08

Flood Zone X

BFE

Panel #

Approved

HORRY COUNTY PERMIT

APPLICATION

R-3615 R&S 381 NO REVIEW

Date 6-30 97

Name of Owner(as listed on tax book) Heritage Riverwalk

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577

Location of Improvement Lantern Reef Rd Telephone (803) 449-6200

Subdivision Riverwalk Lot No 1 Block No _____ Units 12

Type of Work. New Improvement (X) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (X) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description _____

Type of Construction: Frame (X) Metal ( ) Wood ( ) Other ( ) Description _____

Exterior Brick (X) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (X) Glass ( ) Vinyl ( )

Description _____

No of Stories 3 No. of Bedrooms 21 No. of Baths 21 No of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond (X) Other ( ) Heat Pump ( )

Type of Fuel Oil ( ) Gas ( ) Electricity (X) Wood ( ) Coal ( ) No. of Fireplaces ( ) _____

Total No of Square Feet 12,330 Heated Space 11,178 Unheated 1,152

Remarks Condominiums

Value of Construction $ 450,000

Building Permit	($)	Permit No.	46412
_____	($ 1602.90)	State No.	96682
_____	($)	Mobile Home No.	
_____	($)	Fire Receipt No	
Total Fee _____	($)		

DEFENDANT'S EXHIBIT # 2

Contractor or Builder Buildstar Corporation

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577 Telephone (803) 449-6200

Architect or Engineer Pegram & Associates

Address 1131 48th Ave N , Suite B, Myrtle Beach, SC 29577 Telephone (803) 449-5202

Estimated Date of Completion 12/30/97

ROOM 244 Tax Map 180-00-01-007 037 0560 6-30 97 D

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or Is NOT) Located In The Flood Zone Area.

Linda W Hendrix

Permit Issued By

06/30/97

HORRY COUNTY TAX ASSESSOR'S

Owner ( ) Contractor ( ) Agent ( )

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO HERITAGE RIVERWALK INC
RIVERWALK BLDG 1
1201 48TH AVENU SUITE C
MYRTLE BEACH SC 29577
803 449-6200

PERMIT # 46412
DATE 6/30/97
TMS 180-00-01-037
DIST 60

CONTRACTOR BUILDSTAR CORPORATION
1201 48TH AVENUE NORTH
MYRTLE BEACH SC 29577
803-449-6200

BLDG 1 SEWER

LOCATION LANTERN PEST ROAD SUBDIVISION RIVERWALK
LOT 1 BLOCK SETBACKS. LEFT 20 00 RIGHT 20 00 FRONT 30 00 BACK. 40 00
WORK TYPE CM COMMERCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE. 105 FIVE-OR-MORE FAMILY BUILDING FIRE RECEIPT#
ZONE. GR FLOOD ZONE. X SQUARE FEET 14 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☐	☐		
FOUNDATION	☐	☐		
PILASTER	☐	☐		
SLAB/POLYWIRE	☐	☐		
ROUGH PLUMBING	☐	☐		
FRAMING	☐	☐		
ROUGH ELECTRICAL	☐	☐		
ROUGH MECHANICAL	☐	☐		
FIRE INSPECTION	☐	☐		
INSULATION	☐	☐		
FINAL INSPECTION	☐	☐		
FINAL FIRE INSPECTION	☐	☐		
CERTIFICATE OF OCCUPANCY	☐	☐		

ISSUED BY L. Hendrick

ROA_1837

APP_1843

Flood Zone X

BFE

Panel # 320

Approved

HORRY COUNTY PERMIT

P-3615

No Review

APPLICATION

Date 6-30-97

Name of Owner(as listed on tax book) Heritage Run Walk

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577

Location of Improvement Heritage Run Rd Telephone (803) 449-6200

Subdivision Run Walk Lot No 2 Block No _____ Units 12

Type of Work. New Improvement (X) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (X) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description _____

Type of Construction. Frame (X) Metal ( ) Wood ( ) Other ( ) Description _____

Exterior Brick (X) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (X) Glass ( ) Vinyl ( )

Description _____

No of Stories 3 No. of Bedrooms 21 No. of Baths 21 No. of Rooms 64

Type of Heating Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond (X) Other ( ) Heat Pump ( )

Type of Fuel Oil ( ) Gas ( ) Electricity (X) Wood ( ) Coal ( ) No. of Fireplaces ( ) _____

Total No of Square Feet 12,330 Heated Space 11,178 Unheated 1,152

Remarks: Condominiums

Value of Construction $ 450 000

Building Permit	($	)	Permit No. 46413
_____	($ 1602.90	)	State No. 96682
_____	($	)	Mobile Home No. _____
_____	($	)	Fire Receipt No _____
Total Fee _____	($	)	

Contractor or Builder Buildstar Corporation

Address 1201 48th Ave N , Suite C, Myrtle Beach SC 29577 Telephone (803) 449-6200

Architect or Engineer Pegram & Associates

Address 1131 48th Ave N , Suite B, Myrtle Beach, SC 29577 Telephone (803) 449-5202

Estimated Date of Completion 12/30/97

ROOM 244 Tax Map 180-00-01-001 037 DS60 6 30 97 B

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (is or is NOT) Located In The Flood Zone Area

Permit Issued By

06/30/97

HORRY COUNTY TAX ASSESSOR'S

Owner ( ) Contractor ( ) Agent (X)

ROA_1838

Flood Zone X

BFE

Panel #

Approved

HORRY COUNTY PERMIT

APPLICATION

R-3615 JRJ No Review R&3381

Date 6-30 97

Name of Owner(as listed on tax book) Heritage Riverwalk

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577

Location of Improvement Lantern Rest Rd Telephone (803) 449-6200

Subdivision Riverwalk Lot No 1 Block No _____ Units 12

Type of Work. New Improvement (X) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (X) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description _____

Type of Construction. Frame (X) Metal ( ) Wood ( ) Other ( ) Description _____

Exterior Brick (X) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (X) Glass ( ) Vinyl ( )

Description _____

No of Stories 3 No. of Bedrooms 21 No. of Baths 21 No. of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond (X) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (X) Wood ( ) Coal ( ) No of Fireplaces ( ) _____

Total No. of Square Feet 12,330 Heated Space 11,178 Unheated 1,152

Remarks: Condominiums

Value of Construction $ 450,000

Building Permit	($	)	Permit No. 46412
	($ 1602.90	)	
	($	)	State No. 96682
	($	)	Mobile Home No.
	($	)	Fire Receipt No.
Total Fee	($	)	

DEFENDANT'S EXHIBIT # 2

Contractor or Builder Buildstar Corporation

Address 1201 48th Ave N , Suite C Myrtle Beach, SC 29577 Telephone (803) 449-6200

Architect or Engineer Pegram & Associates

Address 1131 48th Ave N , Suite B, Myrtle Beach, SC 29577 Telephone (803) 449-5202

Estimated Date of Completion 12/30/97

ROOM 244 Tax Map 180-00-01-007037 0560 6-30-97D

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or Is NOT) Located In The Flood Zone Area.

Linda W Hendrix

Permit Issued By

06/30/97

HORRY COUNTY TAX ASSESSOR'S

Owner ( ) Contractor ( ) Agent ( )

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO HEPITAGE PIVEPWALF INC
RIVERWALK BLDG 1
1201 48TH AVENU SUITE C
MYRTLE BEACH SC 29577
803-449-6200

PERMIT # 46412
DATE 6/30/97
TMS 180-00-01 037
DIST 60

CONTRACTOR BUILDSTAR CORPOF/TION
1701 48TH AVENUE NORTH
MYPTLE BEACH SC 29577
803 449-6200

BLDG 1 SEWEP

LOCATION LANTERN PEST ROAD SUBDIVISION RIVERWALF
LOT 1 BLOCK SETBACKS LEFT 20 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMEPCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OR-MORE FAMILY BUILDING FIRE RECEIPT#
ZONE GR FLOOD ZONE X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☐	☐		
FOUNDATION	☐	☐		
PILASTER	☐	☐		
SLAB/POLYWIRE	☐	☐		
ROUGH PLUMBING	☐	☐		
FRAMING	☐	☐		
ROUGH ELECTRICAL	☐	☐		
ROUGH MECHANICAL	☐	☐		
FIRE INSPECTION	☐	☐		
INSULATION	☐	☐		
FINAL INSPECTION	☐	☐		
FINAL FIRE INSPECTION	☐	☐		
CERTIFICATE OF OCCUPANCY	☐	☐		

ISSUED BY S. Hendrick

ROA_1840

APP_1846

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO HERITAGE RIVERWALK INC
RIVERWALK BLDG 1
1201 48TH AVENU SUITE C
MYRTLE BEACH SC 2 577
803 449 6200

PERMIT # 46412
DATE 6/30/97
TMS 180-00-01 037
DIST 60

CONTRACTOR BUILDTAR CORPORATION
1201 48TH AVENUE NORTH
MYRTLE BEACH SC 29577
803 449-6 00

BLDG 1 SEWER

LOCATION LANTERN REST ROAD SUBDIVISION RIVERWALK
LOT 1 BLOCK SETBACKS LEFT 0 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMERCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE OR MORE FAMILY BUILDING FIRE RECEIPT#
ZONE GP FLOOD ZONE X SQUARE FEET 1 530

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☑	☐ 7/1/97 (28)	7/2/97	(28)
FOUNDATION PIERS OK 7/1/97 28	☑	☐	7/1/97	(28)
PILASTER	☐	☐		
SLAB/POLYWIRE	☑	☐	7/17/97	(28)
ROUGH PLUMBING USP OK 7/11/97 (28)	☑	☐		
FRAMING FRAMING OK 8/22/97 (28)	☑	☐		
ROUGH ELECTRICAL EXT OK 8/7/97 UNDER 28	☑	☐		
ROUGH MECHANICAL	☑	☐		
FIRE INSPECTION Hold 9/8/97 3rd Floor Pull Wires (28)	☑	☐ Hold 9/8/97	9/9/97	(28)
INSULATION	☑	☐	9/8/97	(28)
FINAL INSPECTION All Power Poles	☑	☐ Hold 10-28-97	10-7-97	28
FINAL FIRE INSPECTION	☑	☐	10-29-97	28
CERTIFICATE OF OCCUPANCY	☑	☐	10-29-97	28

ISSUED BY J. Hendrick

Ref 338
P-3615
No Review

Flood Zone X
BFE
Panel # 320
Approved

HORRY COUNTY PERMIT

APPLICATION

Date 6-30-97

Name of Owner(as listed on tax book) Heritage Resort Villa

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577

Location of Improvement Heritage Resort Rd Telephone (803) 449-6200

Subdivision Resort Villa Lot No 1 Block No. _____ Units 12

Type of Work: New Improvement (X) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements. Residential Single Family (X) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description _____

Type of Construction. Frame (X) Metal ( ) Wood ( ) Other ( ) Description _____

Exterior Brick (X) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (X) Glass ( ) Vinyl ( )

Description _____

No of Stories 3 No. of Bedrooms 21 No. of Baths 21 No. of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond (X) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (X) Wood ( ) Coal ( ) No of Fireplaces ( ) _____

Total No of Square Feet 12,330 Heated Space 11,178 Unheated 1,152

Remarks. Condominiums

Value of Construction $ 450,000

Building Permit	($	160.90	)
_____	($		)
_____	($		)
_____	($		)
_____	($		)
Total Fee _____	($		)

Permit No 46413
State No 96682
Mobile Home No _____
Fire Receipt No. _____

Contractor or Builder Buildstar Corporation

Address 1201 48th Ave N , Suite C, Myrtle Beach SC 29577 Telephone (803) 449-6200

Architect or Engineer Pegram & Associates

Address 1131 48th Ave N , Suite B, Myrtle Beach, SC 29577 Telephone (803) 449-5202

Estimated Date of Completion 12/30/97

ROOM 244 Tax Map 180-00-01-0037 DS60 6 30 97 B

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or Is NOT) Located In The Flood Zone Area.

Permit Issued By

Jan 12 97

HORRY COUNTY
TAX ASSESSOR'S

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO HERITAGE RIVERWALK INC
RIVERWALK BLDG 2
1201 48TH AVENU SUITE C
MYRTLE BEACH SC 29577
803 449 6200

PERMIT # 46413
DATE 6/20/97
TMS 180 00 01-037
DIST 60

CONTRACTOR BUILDSTAR CORPORATION
1201 48TH AVENUE NORTH
MYPTLE BEACH SC 29577
803 449-6200

BLDG 2 SEWER

LOCATION LANTERN REST ROAD SUBDIVISION RIVERWALK
LOT 2 BLOCK SETBACKS LEFT 0 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMERCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OR-MORE FAMILY BUILDING FIRE RECEIPT#
ZONE GR FLOOD ZONE X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☐	☐	7/1/97	28
FOUNDATION AERS OK 7/15/97 (28)	☑	☐	7/16/97	28
PILASTER	☐	☐		
SLAB/POLYWIRE	☑	☐	7/21/97	28
ROUGH PLUMBING USA OK 7/17/97 (28)	☑	☐		
FRAMING NAILING HELD 5/29/97 (28) NAILING OK 6/5/97	☑	☐		
ROUGH ELECTRICAL OUTSIDE TREE OK	☑	☐		
ROUGH MECHANICAL	☑	☐		
FIRE INSPECTION	☑	☑ HLD 6/4/97 28	6/25/97	
INSULATION	☑	☐		
FINAL INSPECTION PP #703563 10-23-97 (28)	☐	☑		
FINAL FIRE INSPECTION	☐	☐		
CERTIFICATE OF OCCUPANCY	☐	☐		

ISSUED BY S. Henderson

Flood Zone X

BFE

Panel # 326

Approved SMA

HORRY COUNTY PERMIT

APPLICATION

R-3615
No Review

Date 6-30-97

Name of Owner(as listed on tax book) Heritage River Walk

Address 1201 48th Ave. N , Suite C, Myrtle Beach, SC 29577

Location of Improvement Santee Resort Rd Telephone (803) 449-6200

Subdivision River Walk Lot No 3 Block No _____ Units 12

Type of Work. New Improvement (X) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (X) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description _____

Type of Construction Frame (X) Metal ( ) Wood ( ) Other ( ) Description _____

Exterior Brick (X) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (X) Glass ( ) Vinyl ( )

Description _____

No of Stories 3 No. of Bedrooms 21 No of Baths 21 No of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond (X) Other ( ) Heat Pump ( )

Type of Fuel. Oil ( ) Gas ( ) Electricity (X) Wood ( ) Coal ( ) No. of Fireplaces ( ) _____

Total No of Square Feet 12,330 Heated Space 11,178 Unheated 1,152

Remarks Condominiums

Value of Construction $ 450,000

Building Permit	($	160290	)
_____	($		)
_____	($		)
_____	($		)
_____	($		)
Total Fee _____	($		)

Permit No 46414

State No 96682

Mobile Home No _____

Fire Receipt No. _____

Contractor or Builder Buildstar Corporation

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577 Telephone (803) 449-6200

Architect or Engineer Pegram & Associates

Address 1131 48th Ave N , Suite B, Myrtle Beach, SC 29577 Telephone (803) 449-5202

Estimated Date of Completion 12/30/97

ROOM 244 Tax Map 180-00-01-001 037 DS 60 6-30 97 B

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or is NOT) Located In The Flood Zone Area

Permit Issued By

6/30/97

HORRY COUNTY
TAX ASSESSOR'S

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO HERITAGE RIVERWALK INC
RIVERWALK BLDG 3
1201 48TH AVENU SUITE C
MYRTLE BEACH SC 29577
803-449-6200

PERMIT # 46414
DATE 6/30/97
TMS 180-00-01-037
DIST 60

CONTRACTOR BUILDSTAR CORPOPATION
1201 48TH AVENUE NORTH
MYPTLE BEACH SC 29577
803-449-6200

BLDG 3 SEWER

LOCATION LANTERN REST ROAD SUBDIVISION RIVERWALK
LOT 3 BLOCK SETBACKS LEFT 10 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMEPCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OR-MORE FAMILY BUILDING FIRE RECEIPT#
ZONE GR FLOOD ZONE X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☑	☐	6/13/97	28
FOUNDATION Piers OK 7/16/97 (28)	☑	☐	7/8/97	28
PILASTER	☐	☐	7/3/97	28
SLAB/POLYWIRE	☑	☐	7/28/97	28
ROUGH PLUMBING USP OK 7/24/97 (28)	☑	☐	10-3-97	28
FRAMING WALL VAULING 9-19-97 (28) 9-[illegible]-97 (28)	☑	☐	10-3-97	28
ROUGH ELECTRICAL OUTSIDE EXIT-CEILING OK (28)	☑	☐	10-2-97	28
ROUGH MECHANICAL	☑	☑	[illegible]	[illegible]
FIRE INSPECTION	☑	☑	10/[illegible]/97	[illegible]
INSULATION	☑	☐	[illegible]	[illegible]
FINAL INSPECTION PP # 203579	☑	☑ 11-7-97	[illegible]	(28)
FINAL FIRE INSPECTION	☐	☐	[illegible]	[illegible]
CERTIFICATE OF OCCUPANCY	☐	☐	[illegible]	[illegible]

ISSUED BY S. Hendrick

Flood Zone X

BFE

Panel #

Approved

HORRY COUNTY PERMIT

B-3615

DRY

No REVIEW

APPLICATION

Date 6-30-97

Name of Owner(as listed on tax book) Heritage Riverwalk

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577

Location of Improvement Dantzler Post Rd Telephone (803) 449-6200

Subdivision River Walk Lot No 4 Block No. Units 12

Type of Work. New improvement (X) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements Residential Single Family (X) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description

Type of Construction Frame (X) Metal ( ) Wood ( ) Other ( ) Description

Exterior Brick (X) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (X) Glass ( ) Vinyl ( )

Description

No of Stories 3 No. of Bedrooms 21 No of Baths 21 No of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond (X) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (X) Wood ( ) Coal ( ) No. of Fireplaces ( )

Total No. of Square Feet 12,330 Heated Space 11,178 Unheated 1,152

Remarks Condominiums

Value of Construction $ 450,000

Building Permit	($ 1602.90)	Permit No.	46415
	($)	State No.	96682
	($)	Mobile Home No	
	($)	Fire Receipt No	
Total Fee	($)		

Contractor or Builder Buildstar Corporation

Address 1201 48th Ave N , Suite C, Myrtle Beach SC 29577 Telephone (803) 449-6200

Architect or Engineer Pegram & Associates

Address 1131 48th Ave N , Suite B, Myrtle Beach SC 29577 Telephone (803) 449-5202

Estimated Date of Completion 12/30/97

ROOM 244 Tax Map 180-00-01-037 DS60 6-30-97 WD

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or is NOT) Located In The Flood Zone Area

Permit Issued By

06/30/97

HORRY COUNTY
TAX ASSESSOR'S

Owner ( ) Contractor ( ) Agent (X)

ROA_1846

APP_1852

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO HERITAGE RIVERWALK INC
RIVERW IK BLDG 4
1201 48TH AVENU SUITE C
MYRTLE BEACH SC 29577
803 449-6200

PERMIT # 46415
DATE 6/30/97
TMS 180-00-01-037
DIST 50

CONTRACTOR BUILDSTAR CORPOPATION
1201 48TH AVENUE NOPTH
MYRTLE BEACH SC 29577
803-449-6200

BLDG 4 SEWER

LOCATION LANTERN PEST POAD SUBDIVISION PIVERWALK
LOT 4 BLOCK SETBACKS LEFT 0 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMEPCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OR-MORE FAMILY BUILDING FIRE RECEIPT#
ZONE. CR FLOOD ZONE. X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O K	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☑	☑	8/27/97	28
FOUNDATION Pilings OK to Pour 7/23/97 28	☑	☐	7-9-97	(28)
PILASTER	☐	☐		
SLAB/POLYWIRE	☑	☐	7/30/97	(28)
ROUGH PLUMBING USP OK 7/29/97 (28)	☑	☐	10/16/97	
FRAMING WALL NAILING 9 25-97 28	☑	☐		28
ROUGH ELECTRICAL OUTSIDE SIGN OK 10 3 97 28	☑	☐		
ROUGH MECHANICAL Hold 10-6-97 (28)	☑	☑	10-21-97	28
FIRE INSPECTION	☑	☐	10/16/97	28
INSULATION	☑	☐	10-21-97	28
FINAL INSPECTION APP 10 3 98	☑	☑		
FINAL FIRE INSPECTION	☑	☐	11-26-97	28
CERTIFICATE OF OCCUPANCY	☑	☐		

ISSUED BY L. Hendrick

Flood Zone X

BFE

Panel #

Approved

HORRY COUNTY PERMIT

APPLICATION

2 7/2/99 Bedroom

RECEIPT #

DATE

RECEIVED #

APPLIED

Date 7-2-99

Name of Owner(as listed on tax book) Riverwalk At Arrowhead Phase II

Address

Location of Improvement Riverwalk At Arrowhead Telephone 449-[redacted]620

Subdivision Lot No 5 Block No Units 12

Type of Work: New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family ( ) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial (✓) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description

Type of Construction: Frame ( ) Metal ( ) Wood (✓) Other ( ) Description

Exterior Brick ( ) Conc. Block ( ) Stone ( ) Brick Veneer (✓) Stucco ( ) Metal ( ) Wood (✓) Glass ( ) Vinyl (✓)

Description 3 story condo 2 Bedroom option

No of Stories 3 No of Bedrooms 21 No of Baths 24 No. of Rooms 78

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. ( ) Other ( ) Heat Pump (✓)

Type of Fuel Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No. of Fireplaces ( )

Total No of Square Feet 11178 Heated Space 8703 Unheated 2475

Remarks

Value of Construction $ $480,654

Building Permit ($)

($ 1453.14)

($ 100.00 Zone)

($)

($ 1553.14)

Total Fee ($)

Permit No. 61404

State No 96182

Mobile Home No

Fire Receipt No

Contractor or Builder Buildstar corp

Address 4728 Jean Dr. N.B. Telephone 449-6200

Architect or Engineer Tuscan Arch. Group

Address Telephone 449-6200

Estimated Date of Completion

ROOM 244 Tax Map ~~180-24 of 018~~ Dist 60 MBA 180-00-01-040

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above is or is NOT Located in The Flood Zone Area.

Permit Issued By

7-2-99

Tony Bell

Owner ( ) Contractor ( ) Agent (✓)

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO HERITAGE PIVERWALK INC
BUILDING #5
1201 48TH AVENU SUITE C
MYPTLE BEACH SC 29577
803-449 6200

PERMIT # 46600
DATE 7/10/97
TMS 180 00-01-037
DIST 60

CONTRACTOR BUILDSTAP COPPOPATION
1201 48TH AVENUE NOPTH
MYRTLE BEACH SC 29577
803-449-6200

AS PER APPROVED MASTER PLAN 12 UNIT COND

LOCATION LANTERN REST RD SUBDIVISION PIVERWALK/ARPOWHEAD
LOT 5 BLOCK SETBACKS LEFT 0 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMERCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OP NOPE FAMILY BUILDING FIRE RECEIPT#
ZONE. CR FLOOD ZONE. X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☑	☐	9/9/97	28
FOUNDATION Revs OK 8/4/97 (28)	☑	☐	7/16/97	28
PILASTER	☐	☐		
SLAB/POLYWIRE	☑	☐	8/11/97	28
ROUGH PLUMBING USI OK 8/6/97 (28)	☑	☐	11-4-97	28
FRAMING Rewing OK 10-3-97 28	☑	☐	11-4-97	28
ROUGH ELECTRICAL	☑	☐	11-4-97	28
ROUGH MECHANICAL	☑	☑ 11-4-97	11-97	
FIRE INSPECTION	☑	☑ 28	11-	
INSULATION	☑	☐	11-6-97	28
FINAL INSPECTION OK Power # 70397	☑	☑	12-11-97	28
FINAL FIRE INSPECTION	☑	☐	12-15-97	30
CERTIFICATE OF OCCUPANCY	☑	☐	12-15-97	30

ISSUED BY _____

ROA_1849

APP_1855

Flood Zone X

BFE

Panel # 365

Approved DG

HORRY COUNTY PERMIT

APPLICATION

Ref # 3381

Date 7-10-97

Name of Owner(as listed on tax book) Heritage Riverwalk

Address 1201 48th Ave, N , Suite C, Myrtle Beach, SC 29577

Location of Improvement Santuck Rest Rd Telephone (803) 449-6200

Subdivision Riverwalk Lot No C Block No _____ Units 12

Type of Work: New Improvement (X) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements Residential Single Family (X) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description _____

Type of Construction Frame (X) Metal ( ) Wood ( ) Other ( ) Description _____

Exterior Brick (X) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (X) Glass ( ) Vinyl ( )

Description _____

No. of Stories 3 No of Bedrooms 21 No of Baths 21 No of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond (X) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (X) Wood ( ) Coal ( ) No. of Fireplaces ( ) _____

Total No of Square Feet 12,330 Heated Space 11,178 Unheated 1,152

Remarks Condominiums

Value of Construction $ 450,000

Building Permit	($	)	
_____	($ 1,602.90	)	Permit No. 46601
_____	($	)	State No 96682
_____	($	)	Mobile Home No _____
_____	($	)	Fire Receipt No _____
Total Fee _____	($	)	

Contractor or Builder Buildstar Corporation

Address 1201 48th Ave N Suite C, Myrtle Beach, SC 29577 Telephone (803) 449-6200

Architect or Engineer Pegram & Associates

Address 1131 48th Ave N , Suite B, Myrtle Beach SC 29577 Telephone (803) 449-5202

Estimated Date of Completion 1-1-98

ROOM 244 Tax Map 180-00-01-037 Dist#60 7-10-97 SFP

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE

The Application Above (Is or is NOT) Located In The Flood Zone Area.

D. Johnson
Permit Issued By

7-10-97

Owner ( ) Contractor ( ) Agent ( )

HORRY COUNTY TAX ASSESSOR'S

ROA_1850

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO HERITAGE RIVERWALK INC
BUILDING #6
1201 48TH AVENU SUITE C
MYRTLE BEACH SC 29577
803-449-6200

PERMIT # 46601
DATE 7/10/97
TMS 180-00-01-037
DIST 60

CONTRACTOR BUILDSTAR CORPORATION
1201 48TH AVENUE NORTH
MYRTLE BEACH SC 29577
803-449-6200

12 UNIT CONDO AS PER MASTER PLAN

LOCATION LANTERN REST RD SUBDIVISION RIVEPWALK/ARROWHEAD
LOT 6 BLOCK SETBACKS LEFT 20 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMERCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OR MORE FAMILY BUILDING FIRE RECEIPT#
ZONE GR FLOOD ZONE X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☑	☐	9-10-97	28
FOUNDATION Precast 9/11/97 28	☑	☐	7/16/97	28
PILASTER	☐	☐		
SLAB/POLYWIRE Hold 9/12/97 28	☑	☐	8/12/97	28
ROUGH PLUMBING USP 9/12/97 OK 28	☑	☐	11-14-97	28
FRAMING WALL NAILING OK 10-15-97 28	☑	☑ 28	11-20-97	28
ROUGH ELECTRICAL	☑	☐	11-14-97	28
ROUGH MECHANICAL	☑	☐	11-14-97	28
FIRE INSPECTION	☑	☑ 28	11-20-97	28
INSULATION	☑	☐	11-20-97	28
FINAL INSPECTION PD 12/16/97	☑	☐	12-30-97	28
FINAL FIRE INSPECTION	☑	☐	12-30-97	28
CERTIFICATE OF OCCUPANCY	☑	☐		

ISSUED BY B Johnson

ROA_1851

Flood zone X

BFE

Panel # 265

Approved BG

HORRY COUNTY PERMIT

APPLICATION

NOP 3381 R.3763

Date 9-2-97

Name of Owner(as listed on tax book) Heritage Riverwalk

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577

Location of Improvement Lantern Crest Rd Telephone (803) 449-6200

Subdivision Riverwalk Lot No 7 Block No Units 12

Type of Work: New Improvement (X) After ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (X) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description

Type of Construction: Frame (X) Metal ( ) Wood ( ) Other ( ) Description

Exterior: Brick (X) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (X) Glass ( ) Vinyl ( )

Description

No. of Stories 3 No. of Bedrooms 21 No of Baths 21 No of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. (X) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (X) Wood ( ) Coal ( ) No. of Fireplaces ( )

Total No of Square Feet 12,330 Heated Space 11,178 Unheated 1,152

Remarks: Condominiums

Value of Construction $ 450 000

Building Permit	($	)	
	($	)	Permit No 47619
	($ 1,602 90	)	State No. 96682
	($	)	Mobile Home No
	($	)	Fire Receipt No
Total Fee	($	)	

Contractor or Builder Buildstar Corporation

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577 Telephone (803) 449-6200

Architect or Engineer Pegram & Associates

Address 1131 48th Ave N , Suite B, Myrtle Beach, SC 29577 Telephone (803) 449-5202

Estimated Date of Completion

ROOM 244 Tax Map 180-00-01-037 Dist 6/0 9-2-97 pc

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above IS or IS NOT Located In The Flood Zone Area.

D. Johnson

Permit Issued By

9-2-97

HORRY COUNTY TAX ASSESSOR'S

Owner ( ) Contractor ( ) Agent (/)

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO: HERITAGE RIVEPWALK INC
RIVERWALK BUILDING #7
1701 48TH AVE N
MYRTLE BEACH SC 29577 5432
803-449 6200

PERMIT# 47619
DATE 12/97
TMS 180-00-01 037
DIST 60

CONTRACTOR: BUILDSTAR COPPORATION
1201 48TH AVENUE NOPTH
MYRTLE BEACH SC 29577
803-449 6200

12 UNIT CONDO PER APPPOVED MASTEP PLAN

LOCATION LANTERN REST RB SUBDIVISION RIVERWALK
LOT 7 BLOCK SETBACKS LEFT 20 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMERCIAL BUILDING STORIES 3 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE OR-MORE FAMILY BUILDING FIRE RECEIPT#
ZONE GR FLOOD ZONE X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☑	☐	10/9/97	28&30
FOUNDATION PIERS OK 9-19-97 (26)	☑	☐	9-29-97	28
PILASTER	☐	☐		
SLAB/POLYWIRE	☑	☐	9-29-97	28
ROUGH PLUMBING OK MSP 10-29-97 28	☑	☐		
FRAMING mailing DF (05) 32 11-18-97	☑	☐		
ROUGH ELECTRICAL	☑	☐		
ROUGH MECHANICAL	☑	☐		
FIRE INSPECTION	☑	☑ 1200 12-4-97	12-8-97	
INSULATION	☑	☐	12-19-97	
FINAL INSPECTION	☑	☐	1-20-98	28
FINAL FIRE INSPECTION	☐	☐		
CERTIFICATE OF OCCUPANCY	☐	☐		

ISSUED BY G. Epperson

Flood Zone X

BFE

Panel # 295

Approved DG

HORRY COUNTY PERMIT

APPLICATION

Rec 3381
R-3764 9/2/97

Date 9-2-98

Name of Owner(as listed on tax book) Heritage Riverwalk

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577

Location of Improvement Lantern Rest Rd Telephone (803) 449-6200

Subdivision River Walk Lot No 8 Block No. _____ Units 12

Type of Work: New Improvement (X) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements. Residential Single Family (X) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description _____

Type of Construction Frame (X) Metal ( ) Wood ( ) Other ( ) Description _____

Exterior Brick (X) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (X) Glass ( ) Vinyl ( )

Description _____

No of Stories 3 No. of Bedrooms 21 No of Baths 21 No of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. (X) Other ( ) Heat Pump ( )

Type of Fuel. Oil ( ) Gas ( ) Electricity (X) Wood ( ) Coal ( ) No of Fireplaces ( ) _____

Total No of Square Feet 12,330 Heated Space 11,178 Unheated 1,152

Remarks. Condominiums

Value of Construction $ 450 000

Building Permit ($)

_____ ($ 160290) Permit No 47620

_____ ($) State No 96682

_____ ($) Mobile Home No _____

_____ ($) Fire Receipt No _____

Total Fee _____ ($)

Contractor or Builder Buildstar Corporation

Address 1201 48th Ave N , Suite C, Myrtle Beach, SC 29577 Telephone (803) 449-6200

Architect or Engineer Pegram & Associates

Address 1131 48th Ave N , Suite B, Myrtle Beach SC 29577 Telephone (803) 449-5202

Estimated Date of Completion _____

ROOM 244 Tax Map 180-00-01-037 Dist 6/0 9297 pt

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or is NOT) Located In The Flood Zone Area

Permit Issued By

HORRY COUNTY
TAX ASSESSOR'S

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO: HERITAGE RIVERWALK INC
RIVERWALK BUILDING #8
1201 48TH AVE N
MYRTLE BEACH SC 29577 5432
803-449-6200

PERMIT # 47620
DATE 12/2/97
TMS 180 00-01 037
DIST 80

CONTRACTOR: BUILDSTAR CORPORATION
1201 48TH AVENUE NORTH
MYRTLE BEACH SC 29577
803-449-6200

12 UNIT CONDO PER APPROVED MASTER PLAN

LOCATION LANTERN REST RD SUBDIVISION RIVERWALK
LOT 8 BLOCK CM SETBACKS LEFT 20 00 RIGHT 20 00 FRONT 30 00 BACK. 20 00
WORK TYPE. COMMERCIAL BUILDING STORIES 3.0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OR-MORE FAMILY BUILDING FIRE RECEIPT#
ZONE. GR FLOOD ZONE X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☑	☐	12-9-97	28
FOUNDATION Plans OK 9/30/97 28	☑	☐	9-12-97	28
PILASTER	☐	☐		
SLAB/POLYWIRE	☑	☐	10-16-97	28
ROUGH PLUMBING USP 10-9-97 28	☑	☑	12-24-97	28
FRAMING WALL NAILING OK 12-8-97 28	☑	☑ 12-24-97 28	1-2-98	28
ROUGH ELECTRICAL	☑	☐	12-24-97	28
ROUGH MECHANICAL	☑	☐	12-29-97	28
FIRE INSPECTION	☑	☐	12-29-97	28
INSULATION	☑	☐	1-2-98	28
FINAL INSPECTION	☑	☐	2-5-98	28
FINAL FIRE INSPECTION	☑	☐	2-9-98	28
CERTIFICATE OF OCCUPANCY	☑	☐	2-9-98	28

ISSUED BY G. C. Johnson

Flood Zone X

BFE

Panel # 326 265

Approved SHA

HORRY COUNTY PERMIT

APPLICATION

DATE IN 9/11

DATE OUT

REVIEW # 3938

APPROVED 9/11

FEES PD

CLERK

REF 1136

Date 10-1-97

Name of Owner(as listed on tax book) Heritage Comm.

Address 1201 48th AVE N

Location of Improvement Fantasy Resort Rd Telephone 449-6288

Subdivision River Walk Lot No 9 Block No. Units 12

Type of Work. New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (✓) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description

Type of Construction: Frame (✓) Metal ( ) Wood (✓) Other ( ) Description Repeat

Exterior: Brick (✓) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood ( ) Glass ( ) Vinyl ( )

Description

No of Stories 3 No of Bedrooms 21 No. of Baths 21 No of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. (✓) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No of Fireplaces ( )

Total No of Square Feet 12,330 Heated Space 11,178 Unheated 1152

Remarks

Value of Construction $ 450,000

50164

Building Permit	($	)	
	($ 16,02,90	)	Permit No 96682
	($	)	State No 96682
	($	)	Mobile Home No
	($	)	Fire Receipt No.
Total Fee	($	)	

Contractor or Builder Build Star Corp

Address Telephone 449-6200

Architect or Engineer Pegram and Assoc.

Address Telephone 449-5202

Estimated Date of Completion 7/29/98

ROOM 244 Tax Map 180-00-01-037 Dist 60 10-1-97K

HORRY COUNTY TAX ASSESSOR'S

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or Is NOT) Located In The Flood Zone Area.

Permit Issued By

Buck A. Howard

FROM PHONE NO May 12 1998 12 14PM P2

CALL 248-1365 / 626-1365 / 756-2121, EXT. 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO [illegible] PERMIT # [illegible]
[illegible] DATE 1/29/98
[illegible] TMS [illegible]
[illegible] DIST 6
MYRTLE BEACH SC [illegible]
803 449 8700

CONTRACTOR BUILDTRAP CORPORATION
1201 48TH AVENUE NORTH
MYRTLE BEACH SC [illegible]
803 449 8700

12 UNIT CONDO PER MASTER PLAN SEWER &

LOCATION LANTERN REST ROAD SUBDIVISION RIVERWALK
LOT 9 BLOCK SETBACKS: LEFT 10.00 RIGHT 10.00 FRONT 30.00 BACK 20.0
WORK TYPE CM COMMERCIAL BUILDING STORIES 3.0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 F TC-CP-HOPE FAMILY BUILDING FIRE RECEIPT#
ZONE GR FLOOD ZONE X SQUARE FEET 12,330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☑	☐	2/2/98	28
FOUNDATION	☑	☐	1/6/98	28
PILASTER	☑	☐	11-26-98	28
SLAB/POLYWIRE USP OK 1-29-98 28	☑	☐	1-6-98	28
ROUGH PLUMBING	☑	☐		
FRAMING WALL BRACING OK 2/20/98 (28)	☑	☐		
ROUGH ELECTRICAL	☑	☐		
ROUGH MECHANICAL	☑	☐		
FIRE INSPECTION	☑	☐	3-13-98	(28)
INSULATION	☑	☐	3/18/98	(28)
FINAL INSPECTION	☑	☐	5-5-98	28
FINAL FIRE INSPECTION	☑	☐	5/19/98	(28)
CERTIFICATE OF OCCUPANCY	☐	☐		

ISSUED BY S. Hendrick

Flood Zone X
BFE
Panel # 265
Approved DBJ

HORRY COUNTY PERMIT

APPLICATION

DATE IN 3-10-98
DATE OUT 3-10-98
REVIEW # 4208
APPROVED
FEES PD
CLERK

Date 3-10-98

Name of Owner(as listed on tax book) HERITAGE Comm.

Address 1201 48th ave N.

Location of Improvement Fantyn Post Rd Telephone 449-6200

Subdivision RiverWalk Lot No. 10 Block No Units 12

Type of Work: New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (✓) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description

Type of Construction: Frame ( ) Metal (✓) Wood ( ) Other ( ) Description

Exterior: Brick (✓) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (✓) Glass ( ) Vinyl ( )

Description

No. of Stories 3 No. of Bedrooms 21 No. of Baths 21 No of Rooms 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. (✓) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No. of Fireplaces ( )

Total No of Square Feet 12330 Heated Space 11178 Unheated 1152

Remarks

Value of Construction $ 425,000

Building Permit ($)

($)

($ 1602.90)

($)

($)

($)

Permit No. 51033

State No 96682

Mobile Home No.

Fire Receipt No

Total Fee

Contractor or Builder Build Star Corp

Address Telephone 449-6200

Architect or Engineer Pegram & Assoc.

Address Telephone 449-5207

Estimated Date of Completion

ROOM 244 Tax Map 180 00-01-037 Dist 60 3-10-98 jk

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

HORRY COUNTY
TAX ASSESSOR'S

The Application Above (Is or is NOT) Located In The Flood Zone Area.

D. Johnson
Permit Issued By

3.10.98

Owner ( ) Contractor ( ) Agent (✓)

FROM PHONE NO Jun 15 1998 04 12PM P1

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

OWNER: HERITAGE RIVERWALK INC
1201 48TH AVE N
MYRTLE BEACH SC 29577 5432
803-449-6200

PERMIT # 51093
DATE 3/10/98
TMS
DIST 60

CONTRACTOR: BUILDSTAR CORPORATION
1301 48TH AVENUE NORTH
MYRTLE BEACH SC 29577
803-449-6200

12 UNIT CONDO AS PER MASTER PLAN

LOCATION LANTERN REST RD SUBDIVISION RIVERWALK
LOT 10 BLOCK SETBACKS LEFT 20 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMERCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OR-MORE FAMILY BUILDING FIRE RECEIPT#
ZONE GC FLOOD ZONE X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☐	☐		
FOUNDATION	☑	☐	2/2/98	36 STECH
PILASTER	☐	☐		
SLAB/POLYWIRE	☑	☐	2/2/98	28 STECH
ROUGH PLUMBING USP 1-22-98 STECH	☑	☐		
FRAMING WALL WALL BRG BAL 4-1-98	☑	☐		
ROUGH ELECTRICAL	☑	☐		
ROUGH MECHANICAL	☑	☐		
FIRE INSPECTION	☑	☐		
INSULATION	☑	☐	4-22-98	28
FINAL INSPECTION	☑	☐	6-11-98	28
FINAL FIRE INSPECTION	☑	☐		
CERTIFICATE OF OCCUPANCY				

ISSUED BY D. Johnson

Flood Zone A

BFE

Panel # 265

Approved BG

HORRY COUNTY PERMIT

APPLICATION

DATE OUT 3-10-98
REVIEW # $4201
APPROVED
FEES PD
CLERK

Date 3-10-98

Name of Owner(as listed on tax book) Heritage Comm.

Address 1201 48th ave N.

Location of Improvement Canton Rest Rd Telephone 449-6200

Subdivision Rivers Walk Lot No 11 Block No. Units 12

Type of Work New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (✓) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description

Type of Construction Frame ( ) Metal (✓) Wood ( ) Other ( ) Description

Exterior Brick (✓) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (✓) Glass ( ) Vinyl ( )

Description

No of Stories 3 No. of Bedrooms 21 No. of Baths 21 No of Rooms ~~90~~ 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. (✓) Other ( ) Heat Pump ( )

Type of Fuel Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No. of Fireplaces ( )

Total No of Square Feet 12330 Heated Space 11178 Unheated 1152

Remarks

Value of Construction $ 425,000

Building Permit ($)

($ 1,602.90)

($)

($)

($)

Permit No. 51031

State No. 96682

Mobile Home No

Fire Receipt No

Total Fee

Contractor or Builder Buildstar Corp

Address Telephone 449-6200

Architect or Engineer Pegram & Assoc.

Address Telephone 449-5202

Estimated Date of Completion

ROOM 244 Tax Map 180-00 01-037 Dist 60 3-10 98K

HORRY COUNTY TAX ASSESSOR'S

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE. BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or Is NOT) Located In The Flood Zone Area.

Permit Issued By

3-10-98

Bert Abbott

Owner ( ) Contractor ( ) Agent (✓)

ROA_1860

APP_1866

FROM PHONE NO Jul 16 1998 03 28PM P1

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

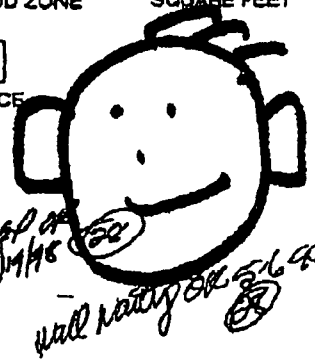
ISSUED TO: HERITAGE RIVERWALK INC
RIVERWALK BLDG 11
1201 48TH AVE N
MYRTLE BEACH SC 29577 5432
803-449-6200

PERMIT #: 51031
DATE: 3/10/98
TMS: 180-00-01-037
DIST: 60

CONTRACTOR: BUILDSTAR CORPORATION
1201 48TH AVENUE NORTH
MYRTLE BEACH SC 29577
803-449-6200

12 UNIT CONDO AS PER MASTER PLAN

LOCATION: LANTERN REST RD SUBDIVISION: RIVERWALK
LOT 11 BLOCK SETBACKS: LEFT 20 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CN COMMERCIAL BUILDING STORIES 5 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OR-MORE FAMILY BUILDING
ZONE GR FLOOD ZONE X SQUARE FEET 12 330 FIRE RECEIPT#



INSPECTED FOR	O.K.	HOLD UP	INSPECTION RECORD DATE	INSPECTOR
TEMPORARY SERVICE	☑	☐	3/13/98	28
FOUNDATION	☑	☐	3/24/98	28
PILASTER	☑	☐	3-1-98	28
SLAB/POLYWIRE	☑	☐	3/24/98	28
ROUGH PLUMBING	☑	☐		
FRAMING	☑	☐		
ROUGH ELECTRICAL	☑	☐		
ROUGH MECHANICAL	☑	☐		
FIRE INSPECTION	☑	☐		
INSULATION	☑	☐	6-1-98	28
FINAL INSPECTION	☑	☐		
FINAL FIRE INSPECTION	☑	☐		
CERTIFICATE OF OCCUPANCY	☑	☐		

ISSUED BY _____

Flood Zone X

BFE

Panel # 3261265

Approved SFP

HORRY COUNTY PERMIT

APPLICATION

Ref 3838

Date 5-11-98

Name of Owner(as listed on tax book) HERITAGE Comm

Address 1201 48th AVE N

Location of Improvement Fantasy Rest Rd Telephone 449-6200

Subdivision RiverWalk Lot No 12 Block No. _____ Units 12

Type of Work: New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family ( ) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description _____

Type of Construction: Frame ( ) Metal ( ) Wood ( ) Other ( ) Description _____

Exterior: Brick ( ) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood ( ) Glass ( ) Vinyl ( )

Description _____

No of Stories 3 No. of Bedrooms 21 No. of Baths 24 No. of Rooms 36 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond ( ) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity ( ) Wood ( ) Coal ( ) No. of Fireplaces ( ) _____

Total No. of Square Feet 12320 Heated Space 11128 5-11-98 Unheated 1152

Remarks _____

Value of Construction $ 425,000

DATE IN 5-11-98
DATE OUT 5-11-98
REVIEW # 1330
APPROVED SFP
FEES PD _____
CLERK _____

Building Permit ($ 1602.90)

($) Permit No 52366

($) State No. 96682

($) Mobile Home No. _____

($) Fire Receipt No. _____

Total Fee ($)

Contractor or Builder Build Star Corp

Address _____ Telephone 449 6200

Architect or Engineer Pegram & Assoc.

Address _____ Telephone 449-5202

Estimated Date of Completion _____

ROOM 244 Tax Map 180-00-01-037 Dist 610 5-11-98 fa

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (is or is NOT) Located In The Flood Zone Area.

Permit Issued By

5/11/98

HORRY COUNTY
TAX ASSESSOR'S

Brett A Harrell

Flood Zone X

BFE /

Panel # 326 265

Approved SFP

HORRY COUNTY PERMIT

APPLICATION

Ref. 3838

Date 5-11-98

Name of Owner(as listed on tax book) Heritage Comm

Address 201 48th Ave N.

Location of Improvement Lantern Reed Rd Telephone 449-6200

Subdivision River Walk Lot No 13 Block No. ____ Units 12

Type of Work: New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (✓) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description ____

Type of Construction. Frame ( ) Metal ( ) Wood (✓) Other ( ) Description ____

Exterior Brick (✓) Conc Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (✓) Glass ( ) Vinyl ( )

Description ____

No of Stories 3 No. of Bedrooms 21 No of Baths 24 No of Rooms 28 64

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. (✓) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No. of Fireplaces ( ) ____

Total No. of Square Feet 12330 Heated Space 11178 Unheated 1152

Remarks: ____

DATE IN 5-11-98

DATE G. 5-11-98

REVIEW # 4340

APPROVED SFP

Value of Construction $ 475,000

Building Permit ($ 160299)

($)

($)

($)

($)

FEES PD ____

CLERK ____

Permit No 52367

State No. 96682

Mobile Home No. ____

Fire Receipt No. ____

Total Fee ____

Contractor or Builder Build Star Corp

Address ____ Telephone 449-6200

Architect or Engineer Rogers & Assoc.

Address ____ Telephone 449-5202

Estimated Date of Completion ____

ROOM 244 Tax Map 180-00 01 037 Dist 610 5-11-98 pc

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

HORRY COUNTY TAX ASSESSOR'S

The Application Above (Is or Is NOT) Located In The Flood Zone Area.

Permit Issued By

5/11/98

'3

CALL 248-1365 / 626-1365 / 756-2121, EXT 365 or 366

HORRY COUNTY, SOUTH CAROLINA

BUILDING PERMIT

ISSUED TO HERITAGE RIVERWALK INC
RIVERWALK BLDG 13
1201 48TH AVE N
MYRTLE BEACH SC 29577 5432
843-449-6200

PERMIT # S2367
DATE 5/11/98
TMS 180-00-01-037
DIST 60

CONTRACTOR BUILDSTAR CORPORATION
1201 48TH AVENUE NORTH
MYRTLE BEACH SC 29577
803-449-6200

12 UNIT CONDO SEWER PER MASTEP PLAN

LOCATION LANTERN REST ROAD SUBDIVISION PIVERWALK
LOT 13 BLOCK SETBACKS LEFT 10 00 RIGHT 20 00 FRONT 30 00 BACK 20 00
WORK TYPE CM COMMERCIAL BUILDING STORIES 3 0 FIREPLACES GARAGE/CARPORT
IMPROVEMENT USE 105 FIVE-OR-MORE FAMILY BUILDING FIRE RECEIPT#
ZONE GR FLOOD ZONE X SQUARE FEET 12 330

INSPECTION RECORD

INSPECTED FOR	O.K.	HOLD UP	DATE	INSPECTOR
TEMPORARY SERVICE	☒	☐	5-14-98	28
FOUNDATION	☒	☐	4-29-98	28
PILASTER	☒	☐	5-13-98	28
SLAB/POLYWIRE	☒	☐	6-3-98	28
ROUGH PLUMBING	☒	☐		
FRAMING Hold NAILING 7-14-98	☒	☐		
ROUGH ELECTRICAL	☒	☐		
ROUGH MECHANICAL Hold 7-20-98	☒	☐		
FIRE INSPECTION	☒	☐		
INSULATION	☒	☐	7-22-98	
FINAL INSPECTION	☒	☐	9-29-98	12
FINAL FIRE INSPECTION	☒	☐		
CERTIFICATE OF OCCUPANCY	☒	☐		

ISSUED BY S. Hendrick

Flood Zone X

BFE

Panel # 7/1/98

Approved 05

HORRY COUNTY PERMIT

APPLICATION

Date 7-1-98

Name of Owner(as listed on tax book) Heritage Comm

Address 4728 Jenny Lee

Location of Improvement River Walk / Santee Rest Rd Telephone 449-6202

Subdivision River Walk Lot No 14 Block No Units 12

Type of Work: New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (✓) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description

Type of Construction ( ) Metal ( ) Wood (✓) Other ( ) Description

Exterior Brick (✓) Conc Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (✓) Glass ( ) Vinyl ( )

Description

No of Stories 3 No of Bedrooms 21 No of Baths 24 No. of Rooms 69

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. (✓) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No. of Fireplaces ( )

Total No of Square Feet 12330 Heated Space 11178 Unheated 1152

Remarks Condos

Value of Construction $ 450,000

Building Permit	($)	Permit No.	53569
	($ 1602.90)	State No	96682
	($)	Mobile Home No	
	($)	Fire Receipt No	
Total Fee	($)		

Contractor or Builder Bulldog Corp

Address Telephone 449-6202

Architect or Engineer

Address Telephone 449-5201

Estimated Date of Completion

ROOM 244 Tax Map 180-00-01-037 Dist 60 mfA

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or is NOT) Located In The Flood Zone Area

Linda W. Hendrick

Permit Issued By

7/1/98

Owner ( ) Contractor ( ) Agent (✓)

ROA_1865

APP_1871

Flood Zone X

BFE

Panel # 326

Approved ZHA 7/1/98 BS

HORRY COUNTY PERMIT

APPLICATION

Date 7-1-98

Name of Owner(as listed on tax book) Heritage Comm.

Address 4928 Jeyma Dr

Location of Improvement Longbeach East Rd Telephone 449-6200

Subdivision River Walk Lot No 15 Block No _____ Units 12

Type of Work. New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements. Residential Single Family (✓) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description _____

Type of Construction Frame ( ) Metal (✓) Wood ( ) Other ( ) Description _____

Exterior Brick (✓) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (✓) Glass ( ) Vinyl ( )

Description _____

No of Stories 3 No. of Bedrooms 21 No. of Baths 24 No. of Rooms 69

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond (✓) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No of Fireplaces ( ) _____

Total No of Square Feet 12330 Heated Space 11178 Unheated 1152

Remarks: Condos

Value of Construction $ 450,000

Building Permit	($)		
Pd 25.00 Reinspect	($)	160.90	Permit No 53570
fire 8/4/98 BS	($)		State No 96682
_____	($)		Mobile Home No. _____
_____	($)		Fire Receipt No _____
Total Fee _____	($)		

Contractor or Builder Builders Corp

Address _____ Telephone 449-6200

Architect or Engineer Rogers & Assoc

Address _____ Telephone 449-5200

Estimated Date of Completion _____

ROOM 244 Tax Map 180-00-01-037 Dist 60 mA

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or (is NOT) Located In The Flood Zone Area

Linda W. Hardwick

Permit Issued By

7-1-98

Butt Howard

ROA_1866

APP_1872

Flood Zone X

BFE

Panel # 265 S

Approved

HORRY COUNTY PERMIT R-4488

APPLICATION

Date 7-16-98

Name of Owner(as listed on tax book) Heritage Comm.

Address 1201 48th Ave N.

Location of Improvement Lewis Rest Rd Telephone 449-6200

Subdivision River Walk Lot No. 16 Block No Units 12

Type of Work: New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (✓) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description

Type of Construction Frame ( ) Metal ( ) Wood (✓) Other ( ) Description

Exterior Brick (✓) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (✓) Glass ( ) Vinyl ( )

Description

No of Stones 3 No. of Bedrooms 21 No. of Baths 24 No. of Rooms 69

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. (✓) Other ( ) Heat Pump ( )

Type of Fuel Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No. of Fireplaces ( )

Total No. of Square Feet 12330 Heated Space 11178 Unheated 1152

Remarks

Value of Construction $ 450,000

Building Permit ($ 1602.90)

O & D ($)

7-17-98 ($)

94 Code ($)

Total Fee ($)

Permit No 53945

State No. 96682

Mobile Home No

Fire Receipt No

Contractor or Builder Build star Corp

Address Telephone 449-6200

Architect or Engineer Pegram & Assoc.

Address Telephone 449-5202

Estimated Date of Completion

ROOM 244 Tax Map 180-00-01 037 dist 63 HP

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above is or is NOT Located In The Flood Zone Area.

Permit Issued By

7-17-98

Owner ( ) Contractor ( ) Agent (✓)

ROA_1867

APP_1873

Flood Zone X

BFE

Panel # 265

Approved

HORRY COUNTY PERMIT

APPLICATION

Date 7-16-98

Name of Owner(as listed on tax book) Heritage Comm.

Address 1291 48th Ave N

Location of Improvement Lantern Reef Rd Telephone 449-6200

Subdivision River Walk Lot No 17 Block No ____ Units 12

Type of Work: New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family (✓) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial ( ) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description ____

Type of Construction. Frame ( ) Metal ( ) Wood (✓) Other ( ) Description ____

Exterior: Brick (✓) Conc. Block ( ) Stone ( ) Brick Veneer ( ) Stucco ( ) Metal ( ) Wood (✓) Glass ( ) Vinyl ( )

Description ____

No. of Stories 3 No. of Bedrooms 21 No. of Baths 24 No of Rooms 69

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. (✓) Other ( ) Heat Pump ( )

Type of Fuel: Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No. of Fireplaces ( ) ____

Total No of Square Feet 12330 Heated Space 11178 Unheated 1152

Remarks: ____

Value of Construction $ 450,000

Building Permit	($	)	
OK	($ 160290	)	Permit No. 53946
7-17-98	($	)	State No 96682
D Jones	($	)	Mobile Home No.
94 Code	($	)	Fire Receipt No.
Total Fee	($	)	

Contractor or Builder Bullstar Corp

Address ____ Telephone 449-6200

Architect or Engineer Pegram & Assoc.

Address ____ Telephone 449-5202

Estimated Date of Completion ____

ROOM 244 Tax Map 180-00 01-057 dist 63 HP

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (is or is NOT) Located in The Flood Zone Area.

Permit Issued By

7-17-98

Owner Contractor Agent / A

Flood Zone X

BFE

Panel #

Approved

HORRY COUNTY PERMIT APPLICATION

2 7/2/99 Bedroom

DATE IN

3795

12,657

Date 7-2-99

Name of Owner(as listed on tax book) Riverwalk At Arrowhead Phase II

Address

Location of Improvement Riverwalk At Arrowhead Telephone 449-[redacted]6202

Subdivision Lot No 5 Block No. Units 12

Type of Work. New Improvement (✓) Alter ( ) Repair ( ) Add to ( ) Move ( ) Demolish ( )

Use of Improvements: Residential Single Family ( ) Mobile Home ( ) Duplex ( ) Apartment ( ) Commercial (✓) Institutional ( )

Warehouse ( ) Manufacturing ( ) Utility ( ) Other ( ) With Description

Type of Construction Frame ( ) Metal ( ) Wood (✓) Other ( ) Description

Exterior Brick ( ) Conc Block ( ) Stone ( ) Brick Veneer (✓) Stucco ( ) Metal ( ) Wood (✓) Glass ( ) Vinyl (✓)

Description 3 story condo 2 Bedroom option

No of Stories 3 No of Bedrooms 21 No of Baths 24 No. of Rooms 78

Type of Heating: Hot Air ( ) Radiator ( ) Hot Water ( ) Steam ( ) Central Air-Cond. ( ) Other ( ) Heat Pump (✓)

Type of Fuel. Oil ( ) Gas ( ) Electricity (✓) Wood ( ) Coal ( ) No of Fireplaces ( )

Total No of Square Feet 11178 Heated Space 8703 Unheated 2475

Remarks

Value of Construction $ $480,654

Building Permit ($)

($ 145314)

($ 100020)

($)

($ 1553.14)

Total Fee ($)

Permit No. 61404

State No 961082

Mobile Home No

Fire Receipt No.

Contractor or Builder Buildstar Corp

Address 4728 Jean Dr. N.B. Telephone 449-6200

Architect or Engineer Tuscan Arch. Group

Address Telephone 449-6200

Estimated Date of Completion

ROOM 244 Tax Map ~~180-24-01-040~~ Dist 60 MJA

180 00-01-040

THIS PERMIT MAY BE SUSPENDED OR REVOKED FOR VIOLATION OF ANY REGULATION IN EFFECT BY ORDINANCE OR OTHERWISE BUILDING PERMITS ARE NOT REFUNDABLE OR TRANSFERABLE.

The Application Above (Is or Is NOT) Located In The Flood Zone Area.

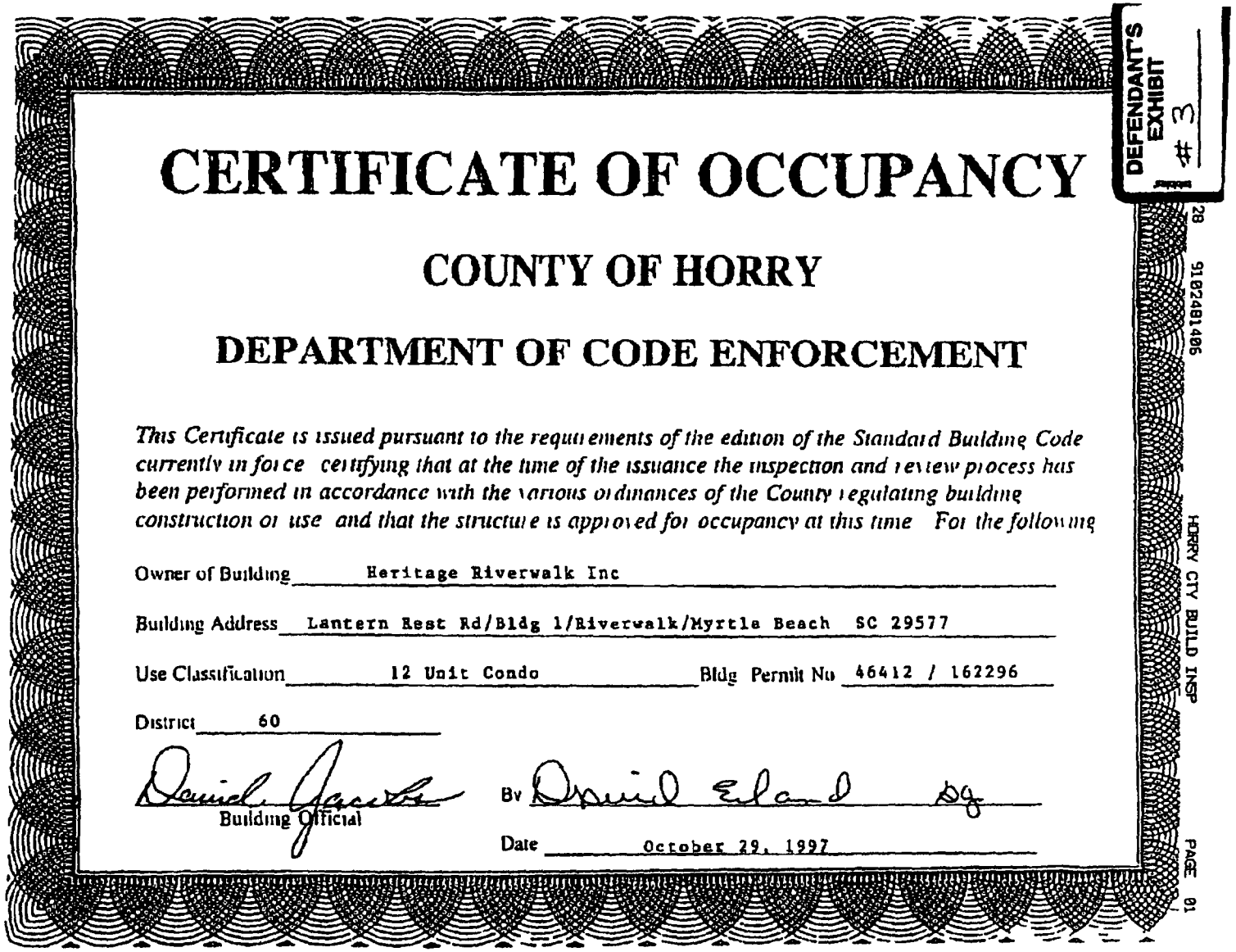
Permit Issued By

7-14-99

Date

Tony Bell

Owner ( ) Contractor ( ) Agent (✓)



DEFENDANT'S EXHIBIT #3

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lantern Rest Rd/Bldg 1/Riverwalk/Myrtle Beach SC 29577

Use Classification 12 Unit Condo Bldg Permit No 46412 / 162296

District 60

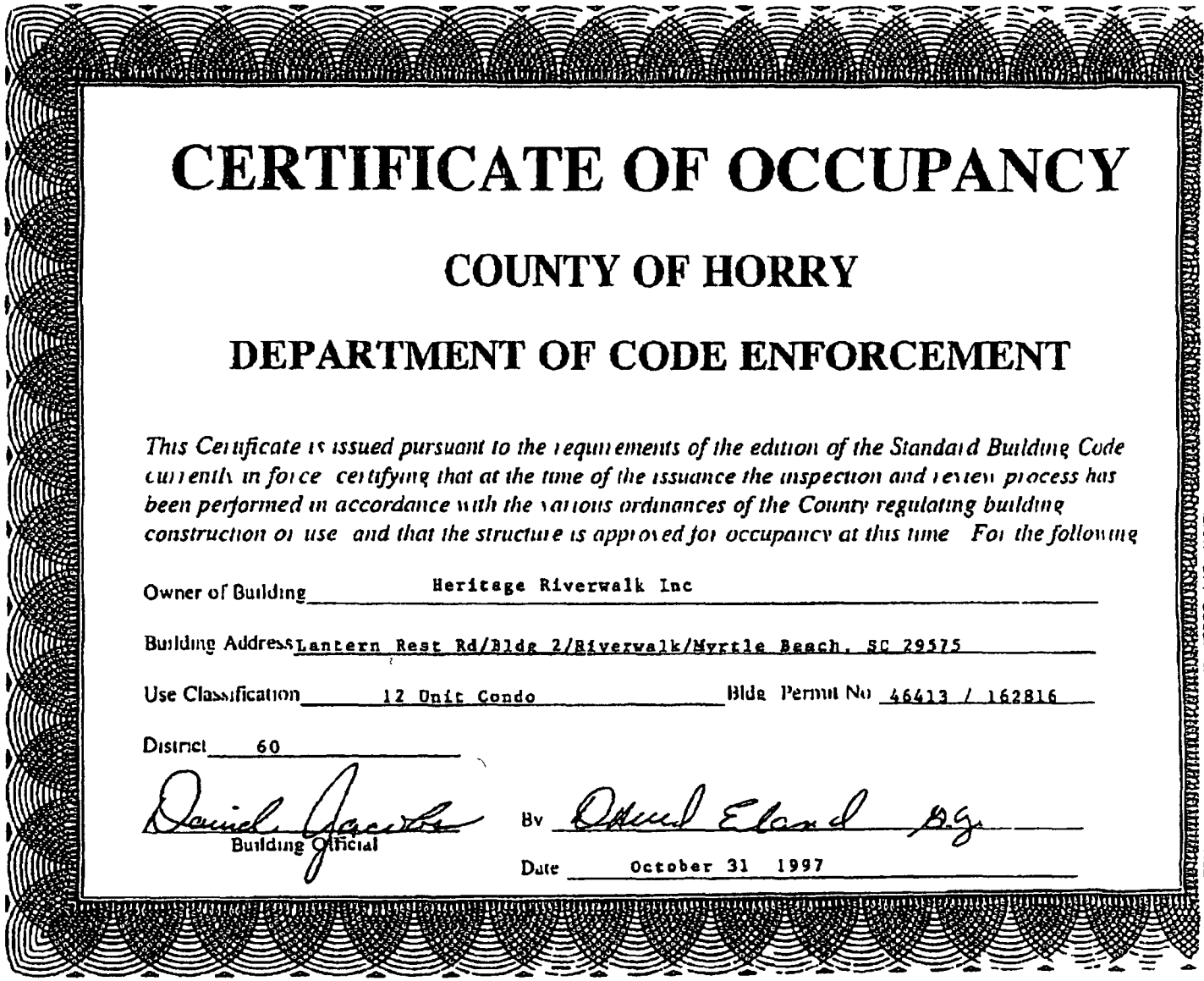
Building Official By David Eland DG

Date October 29, 1997

28 9102481406 HORRY CTY BUILD INSP PAGE 01

APP_1876

ROA_1870



CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lantern Rest Rd/Bldg 2/Riverwalk/Myrtle Beach, SC 29575

Use Classification 12 Unit Condo Bldg Permit No 46413 / 162816

District 60

Daniel Jacobs
Building Official

By Odell Eland B.G.

Date October 31 1997

10/31/1997 17 29 9182481406 HORRY CTY BUILD INSP PAGE 01

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Incorporated

Building Address Bldg 1 / Lantern Rest Road / Riverwalk / Myrtle Beach SC 29577

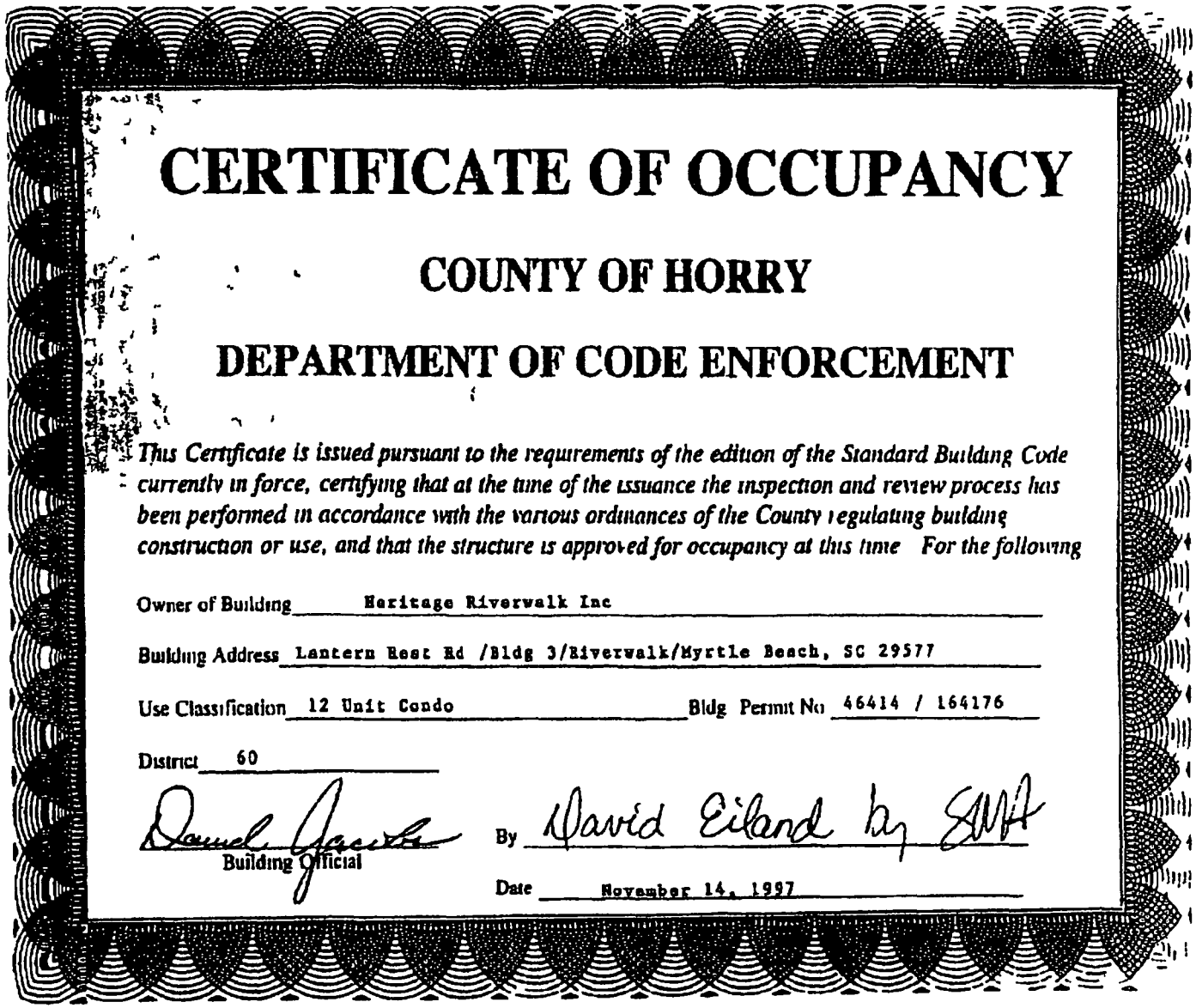
Use Classification 16 Unit Condo Bldg Permit No 53945 / 220918

District 16

David L Jarvis
Building Official

By David Eiland David Eiland by SHH

Date 09-24-99



CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lantern Rest Rd /Bldg 3/Riverwalk/Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 46414 / 164176

District 60

Daniel Jacobs
Building Official

By David Eiland by SMA

Date November 14, 1997

12/01/1997 17 12 9182481406 HORRY CTY BUILD INSP PAGE 01

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Co currently in force, certifying that at the time of the issuance the inspection and review process he been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the follo

Owner of Building Heritage Riverwalk, Inc

Building Address Lot 4 / Bldg 4 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC

Use Classification 12 Unit Condo Bldg Permit No 46415 / 165292

District 60

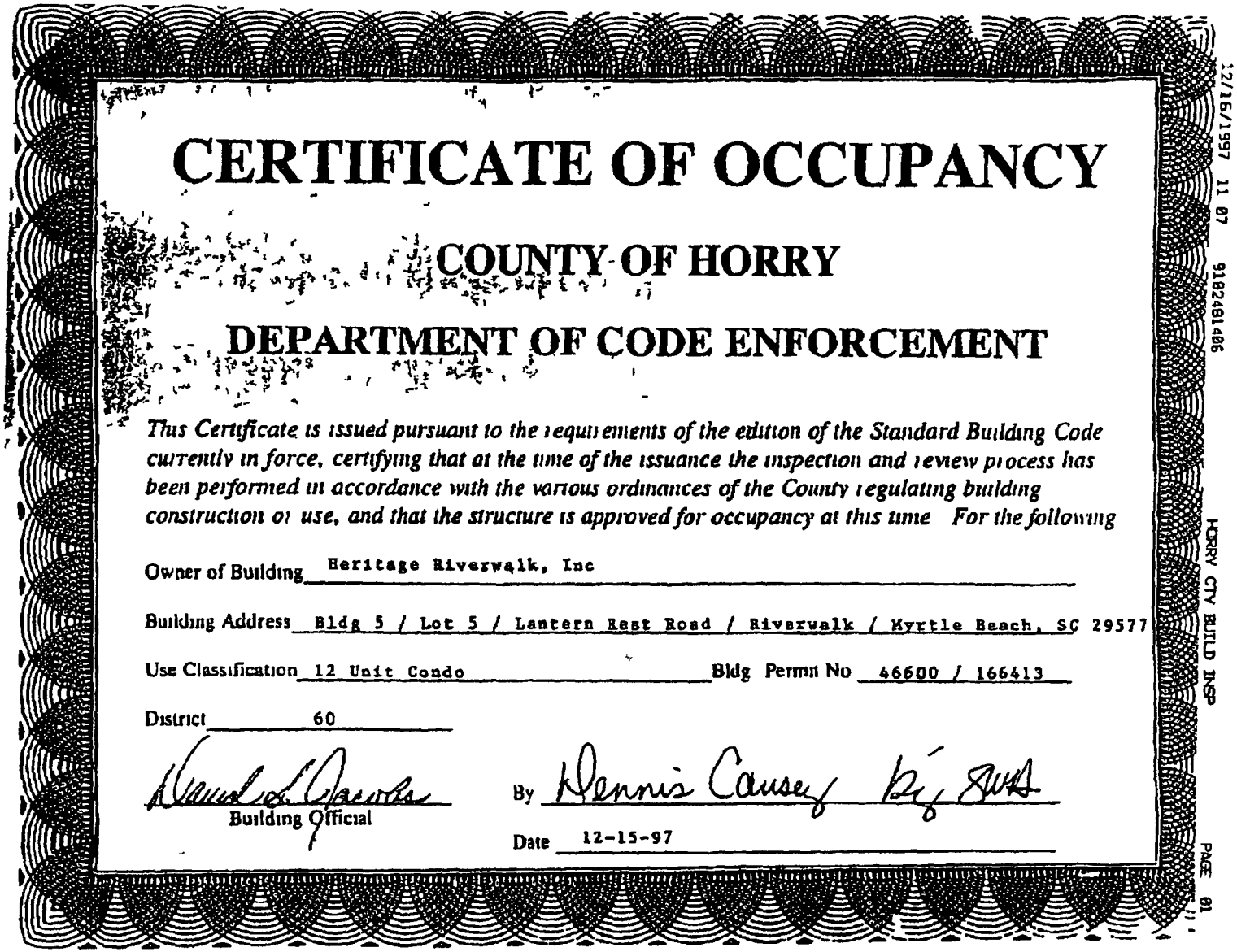
Daniel Jacobs
Building Official

By David Eldard by DWA

Date 11-26-97

APP_1880

ROA_1874



CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk, Inc

Building Address Bldg 5 / Lot 5 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 46600 / 166413

District 60

Building Official

By Dennis Causey BJ Bldg

Date 12-15-97

12/16/1997 11 07 9182481406 HORRY CTY BUILD INSP PAGE 01

Received Nov-24-99 03 22pm from 803 248 1406 → BUILDSTAR INC page 1
NOV 24 99(WED) 15 11 H C CODE ENFORCEMENT TEL 803 248 1406 P 001

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Bldg 5 Lamplighter /Riverwalk/Myrtle Beach S C 29575

Use Classification 12 Unit Condo Bldg Permit No 61[illegible]-22235[illegible]

District 60

Building Official

By David Riland

Date 11/24/99

01/06/1998 09:36 9102481486 HORRY CTY BUILD INSP PAGE 01

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time. For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lot 6 / Bldg 6 / Lantern Reef Road / Riverwalk / Myrtle Beach

Use Classification 12 Unit Condo Bldg. Permit No. 46601 / 167339

District 80

Building Official

By David Eland - By SWA

Date 01-02-98

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Bldg 7 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 47619 / 169380

District 60

Building Official

By David Eiland by SWH

Date 02-02-98

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time. For the following:

Owner of Building Heritage Riverwalk, Inc

Building Address Bldg 8 Lot 8 Lantern Rest Road / Riverwalk / Myrtle Beach, SC 29577

Use Classification 12 Unit Condo / Bldg Permit No. 47620 / 69422

District 60

Building Official

By David Evans by SOH

Date: 02-09-98

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lot 9 / Bldg 9 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC

Use Classification 12 Unit Condo Bldg Permit No 50164 / 176718

District 60

David Jacobs
Building Official

By David Eiland by Staff

Date 05-11-98

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the [illegible] Code currently in force, certifying that [illegible] has been performed in accordance with [illegible] construction or use and that the structure [illegible]

Owner of Building [illegible]

Building Address [illegible]

Use Classification [illegible]

District [illegible]

Building Official

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk, Inc.

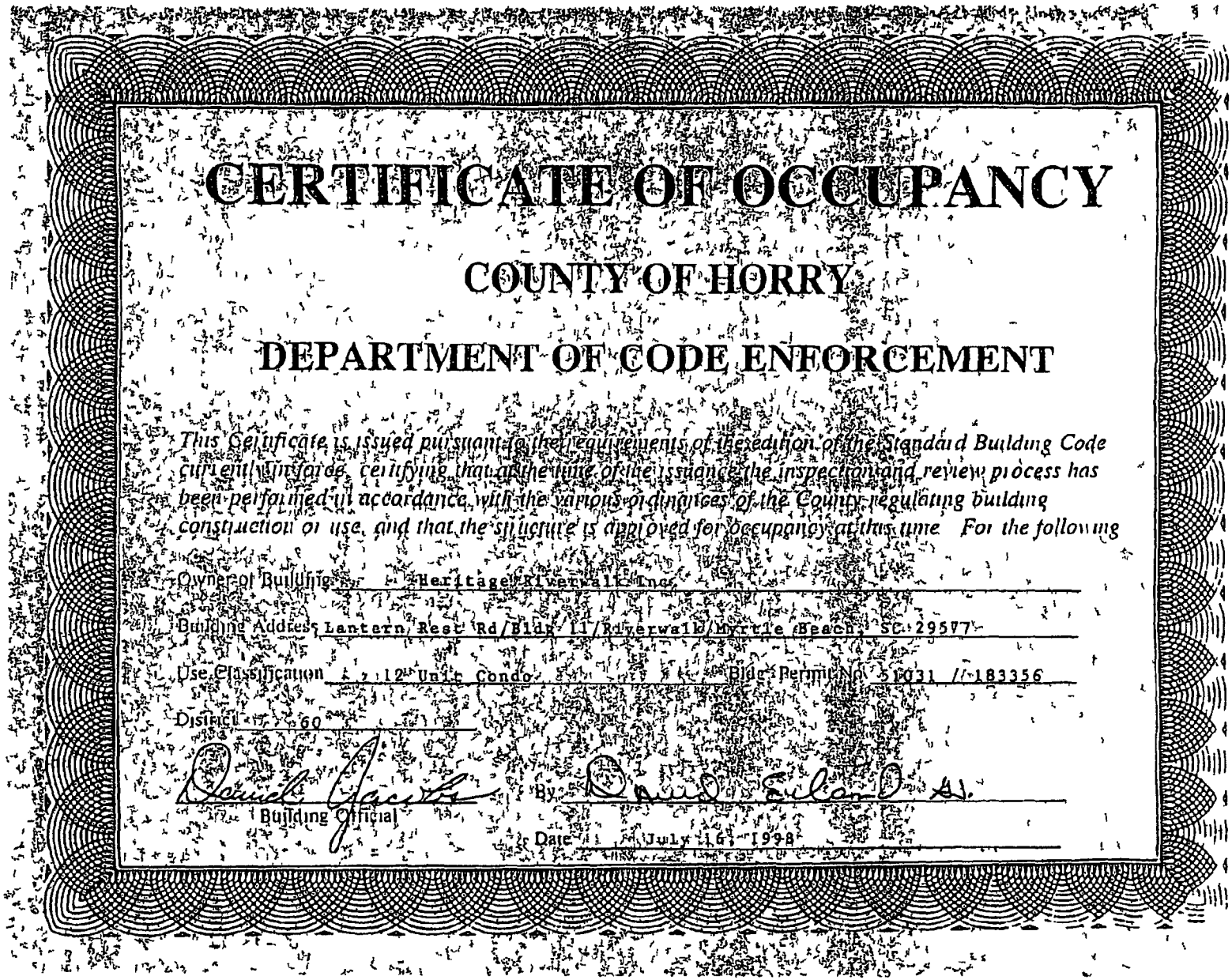
Building Address Lantern Rest Rd./Bldg 10/Riverwalk/Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 51033 / 181262

District 60

Building Official By David Eland BT

Date June 15, 1998



CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code current at the time of the issuance and certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at the time. For the following

Owner of Building: Heritage Riverwalk Inc.

Building Address: Lantern Rest Rd/Bldg 11/Riverwalk/Myrtle Beach, SC 29577

Use Classification: 12 Unit Condo Bldg Permit No. 51031 //183356

District: 60

Building Official: [signature] By: [signature]

Date: July 16, 1998



CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lantern Rest Rd/Bldg 11/Riverwalk/Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 51031 / 183356

District 60

David Jacobs
Building Official

By David Eckard BI

Date July 16, 1998

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lot 12 / Bldg 12 / Lantern Rest Road / Riverwalk / Myrtle Beach SC 29577

Use Classification 12 Unit Condo Bldg Permit No 52366 / 186759

District 60

Building Official

By David Eiland

Date 08-25-98



CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc / Riverwalk

Building Address Lantern Rest Rd/Bldg 13/Riverwalk/Myrtle Beach SC 29577

Use Classification 12 Unit Condo Bldg Permit No 52367 / 190361

District 60

Building Official

By

Date October 5, 1998

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

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Owner of Building Heritage Riverwalk Inc

Building Address Bldg 14 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 53569 / 192817

District 60

Building Official

By David Eiland

Date 10-30-98

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

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Owner of Building Heritage Riverwalk, Inc

Building Address Lot 15 / Bldg 15/ Eastern Rest Road / Riverwalk / Myrtle Beach, SC

Use Classification 12 Unit Condo Bldg Permit No 53570 / 192870

District 60

David Eiland

Building Official

By David Eiland David Eiland by SMH

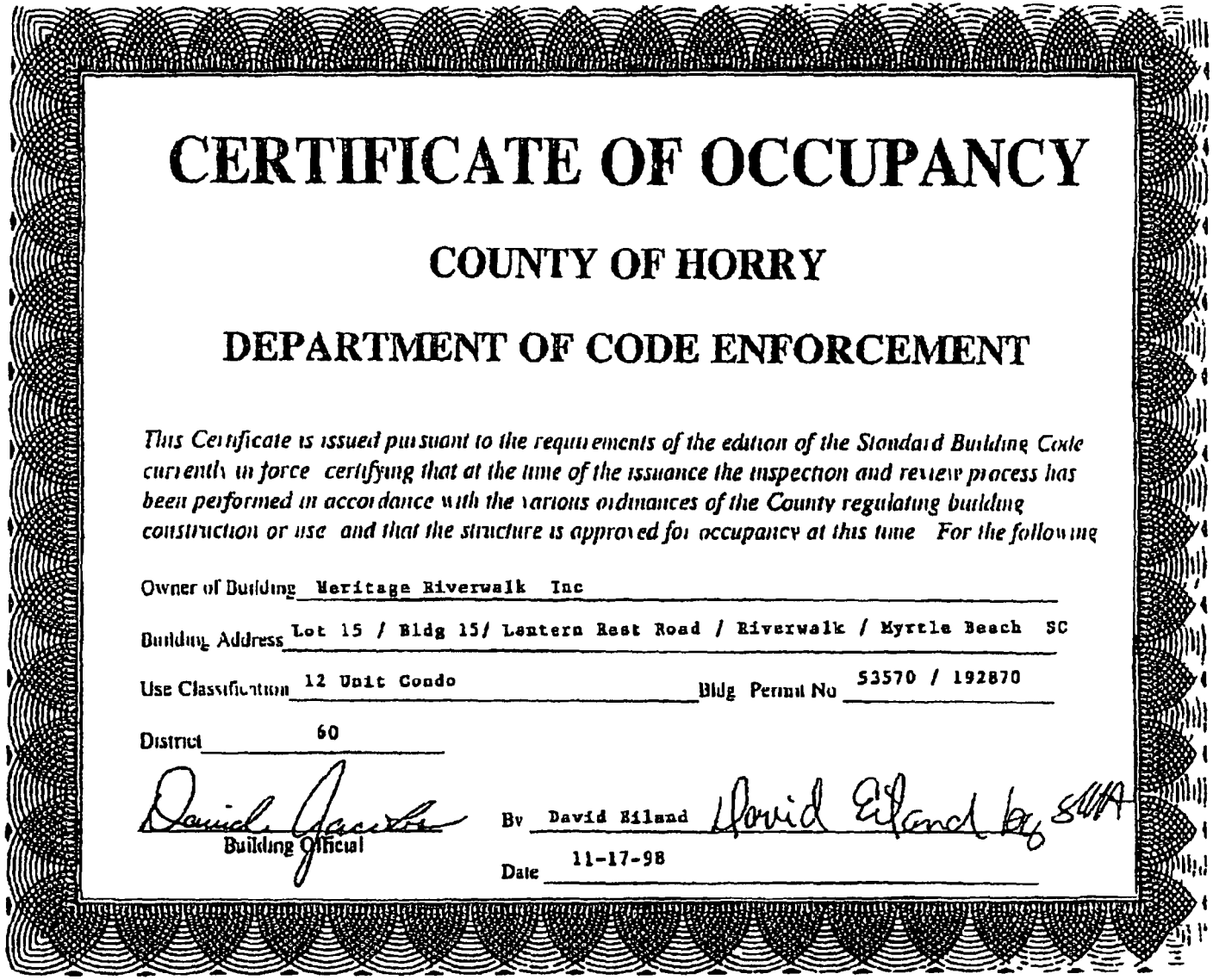
Date 11-17-98

BOOK 2052 PAGE 1500

ROA_1888

APP_1894

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CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

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Owner of Building Heritage Riverwalk Inc

Building Address Lot 15 / Bldg 15/ Lantern Rest Road / Riverwalk / Myrtle Beach SC

Use Classification 12 Unit Condo Bldg Permit No 53570 / 192870

District 60

David Jacobs
Building Official

By David Eiland David Eiland by SMA

Date 11-17-98

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CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time. For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lantern Rest Rd/Bldg 1/Riverwalk/Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No. 46412 / 162296

District 60

Daniel Jacobs
Building Official

By Daniel Eiland DG

Date October 29, 1997

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lantern Reat Rd/Bldg 2/Riverwalk/Myrtle Beach, SC 29575

Use Classification 12 Unit Condo Bldg Permit No 46413 / 162816

District 60

Building Official

By

Date October 31, 1997

APP_1897

ROA_1891

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lantern Reat Rd /Bldg 3/Riverwalk/Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 46414 / 164176

District 60

Daniel Jacobs
Building Official

By David Eiland by SMA

Date November 14, 1997

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk, Inc

Building Address Lot 4 / Bldg 4 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC

Use Classification 12 Unit Condo Bldg Permit No 46415 / 165292

District 60

Daniel Jacobs Building Official By David Eldand by SWA

Date 11-26-97

APP_1899

ROA_1893

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Bldg 5 Lamplighter /Riverwalk/Myrtle Beach, S C 29575

Use Classification 12 Unit Condo Bldg Permit No 61[illegible]-22235[illegible]

District 60

David L Hamrick
Building Official

By David Eiland David Eiland

Date 11/24/99

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lot 6 / Bldg 6 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 46601 / 167339

District 80

Building Official

By David Eiland by SWA

Date 01-02-98

ROA_1895

APP_1901

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk, Inc

Building Address Bldg 7 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 47619 / 169380

District 60

David L Jacobs
Building Official

By David Eiland by SWH

Date 02-02-98



CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time. For the following:

Owner of Building Heritage Riverwalk, Inc.

Building Address Bldg 8 Lot 8 Lantern Rest Road / Riverwalk / Myrtle Beach, SC 2957

Use Classification 12 Unit Condo Bldg. Permit No. 76207/169421

District 60

Building Official

By:

Date: 02-09-98

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lot 9 / Bldg 9 / Lantern Rest Road / Riverwalk / Myrtle Beach SC

Use Classification 12 Unit Condo Bldg Permit No 50164 / 176718

District 60

Daniel Jacobs
Building Official

By David Eiland by SWH

Date 05-11-98

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk, Inc.

Building Address Lantern Rest Rd./Bldg 10/Riverwalk/Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 51033 / 181262

District 60

Daniel Jacobs
Building Official

By David Eland DT

Date June 15, 1998

APP_1905

ROA_1899

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lantern Rest Rd/Bldg 11/Riverwalk/Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 51031 / 103356

District 60

Building Official

By David Eiland AI

Date July 16, 1998

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Lot 12 / Bldg 12 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 52366 / 186759

District 60

Building Official

By David Eiland

Date 08-25-98

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc / Riverwalk

Building Address Lantern Rest Rd/Bldg 13/Riverwalk/Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 52367 / 190361

District 60

Building Official

By

Date October 5, 1998

APP_1908

ROA_1902

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Bldg 14 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC 29577

Use Classification 12 Unit Condo Bldg Permit No 53569 / 192817

District 60

Building Official

By David Eiland

Date 10-30-98

ROA_1903

APP_1909

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

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Owner of Building Heritage Riverwalk, Inc

Building Address Lot 15 / Bldg 15/ Lantern Rest Road / Riverwalk / Myrtle Beach, SC

Use Classification 12 Unit Condo Bldg Permit No 53570 / 192870

District 60

Building Official

By David Eiland David Eiland by SMA

Date 11-17-98

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use, and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Incorporated

Building Address Bldg 1 / Lantern Rest Road / Riverwalk / Myrtle Beach, SC 29577

Use Classification 16 Unit Condo Bldg Permit No 53945 / 220918

District 16

David L. Eiland
Building Official

By David Eiland David Eiland by SHA

Date 09-24-99

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Bldg 17 / Lantern's Rest Road / Riverwalk,/ Myrtle Beach, SC

Use Classification 12 Unit Condo Bldg Permit No 53946 / 228178

District 60

David L. Eiland
Building Official

By David Eiland David Eiland by 845

Date 12-30-99

CERTIFICATE OF OCCUPANCY

COUNTY OF HORRY

DEPARTMENT OF CODE ENFORCEMENT

This Certificate is issued pursuant to the requirements of the edition of the Standard Building Code currently in force, certifying that at the time of the issuance the inspection and review process has been performed in accordance with the various ordinances of the County regulating building construction or use and that the structure is approved for occupancy at this time For the following

Owner of Building Heritage Riverwalk Inc

Building Address Bldg 5 Lamplighter /Riverwalk/Myrtle Beach S C 29575

Use Classification 12 Unit Condo Bldg Permit No 61[illegible]DH-22235[illegible]

District 60

David L. Eiland

Building Official

By David Eiland David Eiland

Date 11/24/99

12-22-08

STATE OF SOUTH CAROLINA COUNTY OF HORRY	IN THE COURT OF COMMON PLEAS FIFTEENTH JUDICIAL CIRCUIT
Tony L Pope and Lynn S Pope individually and representing as a class all unit owners of Riverwalk at Arrowhead Country Club Horizontal Property Regime, Plaintiffs vs Heritage Communities, Inc , Heritage Riverwalk, Inc , BuildStar Corporation Right Way Construction, Inc Pegram Associates Inc , Tuscan Architectural Group, Inc , Louisiana Pacific Corporation MI Home Products, Inc Bill Evans d/b/a Top Notch Painters, BR Brick & Masonry, L P , Weaver Co , Inc , Romaldo Vilarino d/b/a RAV Carpentry, AK Construction, Inc Profiro Borjas d/b/a Siding by Profiro Robert Shaw Boss Management Services Inc , Novar, Inc , Caradon, Inc , Honeywell International Inc and LBS Masonry Inc Defendants	CIVIL ACTION NUMBER 05 CP 26 3289 **RULE 16(b) PRE-TRIAL BRIEF OF DEFENDANTS HERITAGE COMMUNITIES, INC , HERITAGE RIVERWALK, INC , AND BUILDSTAR CORPORATION** **(Only Provided to Judge Newman)**
Riverwalk at Arrowhead Country Club Property Owners Association, Inc Plaintiff, vs Heritage Communities Inc , Heritage Riverwalk Inc , BuildStar Corporation, Right Way Construction, Inc Pegram Associates Inc Tuscan Architectural Group, Inc , Louisiana Pacific Corporation, MI Home Products Inc , Bill Evans d/b/a Top Notch Painters, BR Brick & Masonry L P , Weaver Co , Inc , Romaldo Vilarino d/b/a RAV Carpentry; AK Construction, Inc Profiro Borjas d/b/a Siding By Profiro Robert Shaw Boss Management Services Inc Novar, Inc , Caradon, Inc , Honeywell International, Inc and LBS Masonry Inc Defendants	CIVIL ACTION NUMBER 03-CP 26 7169

1 A concise, non-argumentative statement of the facts of the case

This is a construction defect claim brought by the Riverwalk POA, to recover repair costs, and a class of homeowners (the Pope Class Action), to the lost of use value during the repair period. The claims by the two groups of Plaintiffs are similar, but not identical The cases were consolidated for discovery only under the Pope Class civil action number by order filed January 25, 2006 The cases were combined for trial under the Multi-Week trial order

There are nineteen (19) buildings in the Riverwalk lawsuits The first seventeen (17) buildings are constructed in a horseshoe shape in Phase I of the Riverwalk development All buildings are three stories with twelve units per building These buildings are all substantially similar in shape and design with brick veneer on three sides and composite siding on the front next to common walkways The first building permit was pulled June 30, 1997, and the last building in Phase I received a certificate of occupancy on December 30, 1999 There are two buildings that were completed by Heritage, et al in Phase II These two buildings are similar in design to the first seventeen buildings, except they only have brick on the first floors The second and third floors on the Phase II buildings are composite siding. The windows in the first seventeen buildings include three ganged windows with a ½ moon window installed above the center window The ½ round window is not included in the two buildings in Phase II, albeit, the single windows in Phase II are arched on the tops The first permit for Phase II was pulled May 11, 1999 and the buildings were completed by 1999/2000 Phase II was never completed because Heritage, Heritage Riverwalk, and Buildstar ran into financial problems and ceased construction by August of 2000

The remaining defendants are

- **Heritage Communities, Inc.**, was a developer and parent corporation of Heritage Riverwalk, Inc the site's specific developer It is also the parent corporation of general contractor Buildstar

- **Heritage Riverwalk, Inc.**, was the site specific developer and owner of the buildings when conveyed to unit owners Heritage Riverwalk, Inc is a subsidiary of Heritage Communities Inc

- **Buildstar, Inc.**, was the general contractor for buildings 1 through 19 The general contractor subcontracted all work to numerous subcontractors and trades throughout the life of the project The subcontractors for a particular trade typically were not utilized consistently throughout the life of the project Buildstar is a subsidiary of Heritage Communities, Inc

  None of the Heritage entities including Buildstar is engaged in ongoing operations since shutting their doors around August of 2000 The companies ceased to effectively exist as of approximately 2002

- **Pegram Associates, Inc** was the original architect for the type of buildings at Riverwalk. Pegram has entered an appearance and has been participating in the case infrequently

- MI Home Products, Inc. Novar, Inc., Caradon, Inc , Honeywell International, Inc , are all window manufacturers whose windows have been used in the construction of the Riverwalk condominiums. (Plaintiffs recently settled with the window defendants The final written Release has not yet been executed)

The Plaintiffs allege defects in the design and construction of the buildings at the Riverwalk, which allowed water to intrude into the buildings causing rot, deterioration, and damage to building components. Plaintiffs further allege defects relating to code compliance, safety defects, structural defects and waterproofing.

2 An objective statement of the facts in controversy

Liability and damages are disputed The Defendants dispute the nature and scope of the defects alleged by the Plaintiffs In addition, Defendants dispute the cost to repair the alleged defects. Plaintiffs repair estimate is $8,664 884 00 plus a loss of use claim of $1,284,185 00 Plaintiffs are also claiming additional, temporary repairs of more than $86 000 00 There is a dispute regarding the damages suffered by the Class Action plaintiffs The class is pursuing only the claim for lost use The Property Owners Association is, therefore, currently seeking approximately $8 751 Million in damages

By contrast, Defendants current estimate to make repairs is $2,198 649 00 Defendants dispute that there will be any lost use, but maintain that the class plaintiffs will suffer no more than $227,041 00 in lost use

3 The legal issues involved This includes the law applicable to the cause of action and the defense.

Statutory and case law of negligence, construction defects breach of express warranty breach of implied warranty and breach of fiduciary duty

Defendants have asserted numerous affirmative defenses including comparative negligence and the negligence of third parties

The general laws of evidence and expert qualifications will also be at issue Furthermore, statutes of limitations laches waiver and set-off will be addressed at trial

4 A listing of exhibits, indicating those to which there is disagreement and a listing of witnesses who may be called and, if available their address and phone number

EXHIBITS

Defendant s Draft Exhibit List is attached The parties met to review exhibits, note objections and will mark exhibits in accordance with the Case Management Order

WITNESSES

The following list of probable witnesses for the Defense was previously provided to Plaintiffs' counsel pursuant to the Multi-Week Case Management Order The order of the potential witnesses at trial has not yet been determined

a. Alan Campbell, Applied Building Sciences
b Steve Watkins, Watkins Services
c Jess Teel
d. Dr Jack Green
e Lynn Anderson
f Carl Walters
g. Keith Errico
h. Don O'Neill (out of state)
i Constance Reddington
j Gerald Riccardi (out of state)
k. Tony Pope (out of state)
l Clarence Pope
m. David Eiland
n David Jacobs Director of Code Enforcement, Horry County
o Kenneth Brown
p Verna Lang
q Frances Cicciarella
r Sue Ann Hodges
s Reuben Cordova
t Mike Voyles
u Jennifer Harmon
v Robert G Kennerly
w Ken Taylor

The above witnesses are Defendants most probable witnesses However, Defendants reserve the right to call any witnesses named in discovery

5 Any unusual problems relating to evidence to be introduced, such as Business Records as Evidence Act hearsay, use of depositions etc

Nothing unusual is expected Defendants note that they object to Plaintiffs planned publication of any portion of the deposition of Alan O Campbell Defendant's expert. Mr Campbell will testify at trial There is no exceptional circumstance that compels the intended use of the deposition by Plaintiffs Defendants further note that some of the documentation and testimony Plaintiff intends to introduce with witness James Graham is unfairly prejudicial and should not be presented to the jury

6 Any unusual question or matter which should be brought to the attention of the court

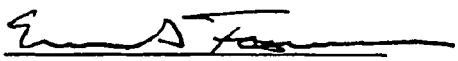
- Defendants Heritage Communities Inc., Heritage Riverwalk, Inc and Buildstar Corporation, Inc s Pre-Trial Motions *In Limine*
  1 Prohibiting evidence of other claims or lawsuits, including bankruptcies, involving Heritage, Heritage Riverwalk, BuildStar or the principals of these entities or of other entities associated with these Defendants
  2 Prohibiting reference to defect allegations regarding other projects developed and built by Heritage and BuildStar
  3 Prohibiting any testimony regarding warranty or alleged breach of warranty by the Defendants for any claims made outside the one-year limited warranty period.
  4 Prohibiting plaintiff from alleging or stating during opening statements to the jury that plaintiff has sustained damages resulting from loss of use or that experts will opine that plaintiff has sustained damages from loss of use
  5 Excluding opinion testimony of Francis Bud DeSantis with regard to his loss of use calculations
  6 Prohibiting Plaintiff from alleging or stating during opening statements to the jury that Plaintiffs experts confirmed a window 'leak" at Riverwalk since the expert s opinion and methodology has not been deemed admissible
  7 To bifurcate the damages trial between the common elements (Property Owner's Association) and the individual claims (class action)
  8 To try the actual or compensatory damages phase first and only if actual damages are awarded, then to try the punitive damages phase
  9 To preclude from referring to punitive damages in their opening statement.

- Defendants Heritage Communities, Inc, Heritage Riverwalk, Inc, and Buildstar Corporation Inc 's Pre Trial Motion to Dismiss based on unit owners purchase with knowledge of this suit,
- Defendants Heritage Communities, Inc, Heritage Riverwalk, Inc, and Buildstar Corporation, Inc 's Pre-Trial Motion to De Certify the Class, and
- Defendants Heritage Communities, Inc, Heritage Riverwalk, Inc, and Buildstar Corporation, Inc 's Pre Trial Motion for Summary Judgment based on the statute of limitations.

7 A statement that settlement negotiations were attempted before the date of the pre trial hearing and the status of settlement negotiations

Multiple mediations have not been successful, including the last mediation on November 13 2008, which was scheduled pursuant to the Multi-Week Case Management Order

Respectfully submitted,
COLLINS & LACY, P C

By 

Eric G Fosmire, Esquire
Andrew C Cole Esquire
1330 Lady Street Suite 601 (29201)
Post Office Box 12487
Columbia, South Carolina 29211
(803) 256-2660
(803) 771-4484 (f)

ATTORNEYS FOR DEFENDANTS
HERITAGE COMMUNITIES INC
HERITAGE RIVERWALK, INC , AND
BUILDSTAR CORPORATION

Columbia South Carolina
December 22 2008

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF HORRY	)	FIFTEENTH JUDICIAL CIRCUIT
Tony L Pope and Lynn S Pope individually and representing as a class all unit owners of Riverwalk at Arrowhead Country Club Horizontal Property Regime	)	CIVIL ACTION NUMBER 05 CP 26 3289
Plaintiffs,	)	**PRE-TRIAL MOTION TO DECERTIFY THE CLASS**
vs	)	
Heritage Communities Inc , et al,	)	
Defendants	)	
Riverwalk at Arrowhead Country Club Property Owners Association, Inc	)	CIVIL ACTION NUMBER 07-CP-26-7169
Plaintiff,	)	
vs	)	
Heritage Communities Inc et al,	)	
Defendants	)	

2008 DEC 22 PM 1:34
HORRY COUNTY
MELANIE J. JOHNS
CLERK OF COURT

The Pope class action matter was filed on June 23 2005 The class seeks damages solely for alleged lost use The class was provisionally certified by order of the Honorable Benjamin H Culbertson which was filed September 3, 2008 The class is described as 'all owners of the condominium units of Riverwalk who do not opt out of the class as of October 3 2008 Pursuant to a subsequent order of the Honorable J Michael Baxley filed November 12, 2008, no prospective class members have opted out

Any party at any time can challenge the class certification Class certification is improper for the trial of this case as

- The prospective class members' damages are different

- There is no proof that any homeowners will be required to vacate their residence during any repairs
- The class representatives' damages are dissimilar to other members of the class and, therefore, they do not adequately represent the class,
- The present action does not meet the conditions precedent of Rule 23, SCRCP and
- The present action is not otherwise proper for class certification

Respectfully submitted,
COLLINS & LACY, P C

By

ERIC G FOSMIRE
ANDREW N COLE
1330 Lady Street, Sixth Floor (29201)
Post Office Box 12487
Columbia, South Carolina 29211
(803) 256-2660
(803) 771-4484 (f)

ATTORNEYS FOR DEFENDANTS
HERITAGE COMMUNITIES, INC ,
HERITAGE RIVERWALK, INC , AND
BUILDSTAR CORPORATION

Columbia, South Carolina
December 19 2008

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF HORRY	)	FIFTEENTH JUDICIAL CIRCUIT
Tony L Pope and Lynn S Pope individually and representing as a class all unit owners of Riverwalk at Arrowhead Country Club HPR,	)	CIVIL ACTION NUMBER 05-CP-26-3289
Plaintiffs	)	**DEFENDANTS' MOTION FOR SETOFF**
vs	)	(Oral Argument Requested)
Heritage Communities, Inc , Heritage Riverwalk, Inc , and BuildStar Corporation	)	
Defendants	)	
Riverwalk at Arrowhead Country Club POA, Inc	)	CIVIL ACTION NUMBER. 03 CP-26-1169
Plaintiff	)	
vs	)	
Heritage Communities, Inc , Heritage Riverwalk, Inc., and BuildStar Corporation	)	
Defendants	)	

HORRY COUNTY
09 JAN 26 PM 1:01
HELAINE HUDGINS
CLERK OF COURT

The combined construction defect lawsuits brought by Riverwalk at Arrowhead Country Club POA, Inc ("Riverwalk POA") to recover repair costs and a class of homeowners (the "Pope Class Action") to recover the loss of use value during the repair period were tried before the Honorable Clifton Newman from January 5 through January 15 2009 Heritage Communities, Inc Heritage Riverwalk, Inc , and Buildstar Corporation ("the Heritage Defendants ") herein submit their post-trial motions.

The jury awarded the POA Action Plaintiffs actual damages of $4,250 000 and punitive damages of $250 000 on the negligence and breach of fiduciary duty claims For the negligence and breach of warranty of habitability claims asserted by the Pope Class Action Plaintiffs, the jury initially awarded actual damages of $0 00 and $1 000,000 punitive damages However, the

Court instructed the jury to deliberate further and the jury changed its verdict in favor of the Pope Class Action Plaintiffs to award actual damages of $250,000 and punitive damages of $750 000 Following the publication of the jury verdicts at approximately 6 30 pm on Thursday, January 15 2008 Judge Newman granted, with the consent of the parties, ten (10) days to file their post-trial motions

The Heritage Defendants hereby move for setoff because all damages arise from the same factual scenario A set-off is a matter of right when the claims from which the prior settlements and the current trial arise "out of the same factual scenario Vortex Sports & Ent., Inc v Ware, 378 S C 197, 209-210 662 S E 2d 444, 451 (Ct App 2008) (reh g den June 26 2008) (quoting and citing with approval Ellis v Oliver, 335 S C 106 515 S E 2d 268 (Ct.App 1999)) The reduction in a jury verdict through a set-off from a prior settlement between the Plaintiff and another party in the same litigation prevents double recovery for the Plaintiff arising from the same alleged damage See Welch v Epstein, 342 S C 279, 312, 536 S E 2d 408, 425 (Ct.App 2000) ('In other words, there can be only one satisfaction for an injury or wrong ")

In the present litigation, the Heritage Defendants are entitled a total set-off in the amount of $1,028,821 69 based on the settlement of claims against co-defendants noted in the following table

Louisiana-Pacific Corporation – composite trim manufacturer	$ 282,580.38
Right Way Construction, Inc	$ 217 701 00
Profiro Borjas d/b/a Siding By Profiro	$ 87,500 00
AK Construction, Inc	$ 50 000 00
Ronaldo Vilarino d/b/a RAV Carpentry	$ 11,299 00
Robert Shaw	$ 8,500 00
Total for framing sub and sub-subcontractors	$ 375,000 00
BR Brick & Masonry L.P and Boss Management Services Inc	$ 141 666 66
Pegram & Associates, Inc	unknown at this time
Weaver Co – grading and paving	$ 7 500 00
MI Home Products Inc , Novar, Inc Caradon, Inc and Honeywell International, Inc – window manufacturers	$ 222,074.65
Total set-off	**$1,028.821 69**

All settlements paid in settlement to the common litigation are subject to a set-off See Vortex, supra, Ellis, supra, Centex-Rooney Construction Co , Inc v Martin County, 706 So 2d 20 (1997) Therefore, the Heritage Defendants are entitled to a ***total*** set-off against the final verdict—after any grant of a new trial and/or nisi remittitur, if applicable—in the amount of $1,028 821 69

[Signature Page to Follow]

Respectfully submitted
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By 

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Columbia, South Carolina
January 26th 2009

Motion For Set-Off
~~Memorandum in Support of Post-Trial Motions~~ by Defendants

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF HORRY	)	FIFTEENTH JUDICIAL CIRCUIT
Tony L Pope and Lynn S Pope individually and representing as a class all unit owners of Riverwalk at Arrowhead Country Club HPR,	)	CIVIL ACTION NUMBER 05-CP-26-3289
Plaintiffs	)	**POST-TRIAL MOTIONS BY DEFENDANTS**
vs	)	
Heritage Communities Inc Heritage Riverwalk Inc and BuildStar Corporation	)	(Oral Argument Requested)
Defendants	)	
Riverwalk at Arrowhead Country Club POA Inc	)	CIVIL ACTION NUMBER 03-CP-26-69
Plaintiff	)	
vs	)	
Heritage Communities Inc Heritage Riverwalk, Inc , and BuildStar Corporation	)	
Defendants	)	

HORRY COUNTY
09 JAN 26 PM 1:01
MELANIE HUGGINS
CLERK OF COURT

The combined construction defect lawsuits brought by Riverwalk at Arrowhead Country Club POA Inc (Riverwalk POA") to recover repair costs and a class of homeowners (the Pope Class Action") to recover the loss of use value during the repair period were tried before the Honorable Clifton Newman from January 5 through January 15 2009 Heritage Communities Inc Heritage Riverwalk Inc and Buildstar Corporation ('the Heritage Defendants) herein submit their post trial motions

A The court determined the defendants were an amalgamated entity and directed a verdict for the Plaintiffs on the negligence cause of action The jury found for the POA Action Plaintiffs on the breach of fiduciary duty claim and for the Class Action Plaintiffs on the breach of warranty of habitability claim The jury then awarded the POA Action Plaintiffs actual

damages of $4 250,000 and punitive damages of $250 000 on the negligence and breach of fiduciary duty claims For the negligence and breach of warranty of habitability claims asserted by the Pope Class Action Plaintiffs the jury initially awarded actual damages of $0 00 and $1 000 000 punitive damages However the Court instructed the jury to deliberate further and the jury changed its verdict in favor of the Pope Class Action Plaintiffs to award actual damages of $250 000 and punitive damages of $750,000 Following the publication of the jury verdicts at approximately 6 30 pm on Thursday, January 15, 2008, Judge Newman granted, with the consent of the parties, ten (10) days to file their post-trial motions

B The Heritage Defendants respectfully submit the following post trial motions and contend that they are entitled to a new trial, alternatively a reduction in damages, and as a matter of right a review of the punitive damages, and further as a matter of right, a set-off of the final verdict with the settlement monies the Riverwalk POA and Pope Class Action Plaintiffs have received and/or been promised arising from the same, underlying construction defect lawsuits The Heritage Defendants requested relief is based on the following legal authority

I New Trial – Thirteenth Juror Doctrine or in the alternative,
II Judgment Notwithstanding the Verdict or in the alternative
III New Trial Absolute or in the alternative
IV New Trial *Nisi Remittitur* or in the alternative and as a matter of right,
V Punitive Damages Review, and as a further matter of right,
VI Setoff

I NEW TRIAL – THIRTEENTH JUROR DOCTRINE

The Trial Court may grant a new trial absolute when, sitting as the thirteenth juror it concludes the jury's verdict is not supported by the evidence Duncan v Hampton County School Dist. No 2, 335 S C 535 517 S E 2d 449 (Ct App 1999) The trial judge should use his discretion sitting as the thirteenth juror to grant a new trial on any one of the following grounds

- The court failed to strike the punitive damages verdict on the loss of use class action when the jury did not return an actual damages verdict

- The Court improperly allowed testimony of Defendants work and alleged defects at other sites not at all related to this case The cumulative effect of the admission, over objections, of work and alleged deficiencies at other Heritage Communities projects unduly influenced the jury and unnecessarily and improperly inflated both the actual and punitive damage verdicts

- The Court improperly admitted evidence of alleged construction defects at other projects developed by Heritage Litchfield, Inc , Heritage Azalea Lakes, Inc Gardens at Cypress Bay, Inc Heritage Magnolia, Inc and Heritage Magnolia North Inc , which evidence unduly prejudiced the Heritage Defendants in this case

- The Court s admission of other alleged deficiencies at other projects violated Rule 404, SCRE and Whaley v CSX, 362 S C 456, 609 S E 2d 286 (2005)

- The Court improperly admitted evidence of other lawsuits against the Heritage entities

- The cumulative effect of the admission of alleged defects at other projects further compounded the prejudice from the Court s denial of Defendants motion to bifurcate the actual and punitive damages stages of the trial

- The Heritage defendants were improperly deemed an amalgamated entity

- There was no testimony regarding the standard of care or developer s duty of care to the Property Owners Association

- There was no specific testimony of the construction industry standards in the 1997 through 1999 time period when the Riverwalk condominiums were constructed Instead Plaintiffs allege a *res ipsa loquitur* standard of liability Plaintiffs arguments and testimony presented to the jury amounted to an impermissible conglomeration of the claims for negligence breach of warranty of habitability and breach of fiduciary duty which the Courts expressly warns against See Fields v J Haynes Waters Builders, Inc , 376 S C 545 561 658 S E 2d 80, 89 (2008) (noting he "flaw" in the Fields' argument that impermissibly blends the law of negligence and warranty liability regarding the sales of homes)

- The Court erred by finding the statute of limitations was equitably tolled during the period Heritage Riverwalk, Inc was involved in and a member of the Riverwalk POA Board

- Plaintiffs evidentiary use of project plans or specifications as evidence of any breach prejudiced the defendants since Plaintiffs neither relied on nor were entitled to rely on any conformance with such plans or specifications

- Plaintiffs' evidentiary use of efforts to remedy alleged window deficiencies at Riverwalk and other projects violates Rule 407 SCRE and Webb v CSX, 364 S C 639, 615 S E 2d 440 (2005)

- Plaintiffs failed to meet their burden of proof regarding alleged framing or sheathing damage since Plaintiffs failed to open areas of alleged damage and left the amount of actual damage to speculation This failure of proof was further compounded by Plaintiffs argument that they ' are not sure of the actual damage and this "was their only time" to make a claim before the jury The Plaintiffs sought damages based on fearful speculation rather than actual proof

- Plaintiffs failed to meet their burden of proof every time they acknowledged to the jury that they did not know the extent of the alleged damages Moreover Plaintiffs failed to prove that the damages were a result of a known building code violation at the time of construction.

- There is no support for the breach of fiduciary duty claim in the Riverwalk POA Action Plaintiffs argued to the jury a standard that is not the law of South Carolina. The record is clear that when the property was transferred to the Riverwalk POA the reserve accounts were funded and the property manager in charge of maintaining the facilities affirmatively advised the Riverwalk POA was financially in good shape

- The Court failed to decertify the Pope Class Action The Pope Class Action is not proper under Rule 23 SCRCP and does not meet the requirements for class treatment under South Carolina law

- There is no support for the finding of a breach of warranty of habitability in the Pope Class Action. The evidence is that the units at Riverwalk have been fully utilized without interruption since purchased It is clear from the jury s initial decision regarding damages in the Pope Class Action that they did not intend to award any actual damages to the homeowners [1] The finding of a breach of the warranty of habitability in the Pope Class Action is inconsistent with the decision on the same cause of action in the Riverwalk POA Action in favor of the Heritage Defendants The jury was charged that habitability is defined as a condition of a building in which inhabitants can live free of serious defects that might harm health and safety The habitability claim can only arise from the alleged repairs to the property The only repairs contemplated and presented at the trial were the repairs to the common elements The Pope Class Action claims and damages were entirely derivative of the alleged repairs to the common elements Assuming arguendo that the Plaintiffs' repair scope is correct and the unit owners will not be able to access their units when the common elements are repaired, the jury unequivocally determined that these repairs will not make the units uninhabitable The jury was confused about the law and the proper award of damages by awarding inconsistent verdicts and imposing punitive damages and no actual damage in the Pope Class Action

[1] The initial charge to the jury regarding punitive damages referenced that punitive damages were only recoverable "in addition to actual damages "

- The Court improperly admitted a purported cost estimate from Watkins Services, which was not authenticated by Steve Watkins The document was specifically rejected by Mr Watkins as an estimate as utilized by Plaintiffs

- The Court denied Heritage the opportunity to cross-examine window representative James Graham regarding the window manufacturer s settlement

- The Court improperly allowed Plaintiffs expert Francis "Bud" DeSantis to testify as to economic loss Neither was Mr DeSantis qualified nor was his methodology accepted and verified within the field of economics or economic loss

- The Court, though granting a jury view, failed to allow jurors to walk around the buildings or walk on building walkways as requested by defendants Thus, jurors did not "view" the true condition of the buildings at issue

- The Court allowed plaintiffs to make improper burden shifting arguments regarding proof of window defects or lack thereof

- The Court erred by including the terms willful, wanton, and reckless when speaking of negligence within the jury charge Doing so equated punitive damages with the lower preponderance standard rather than the clear and convincing standard of proof for punitive damages

- The damages verdict is not consistent with the actual conditions at the Riverwalk condominium complex

- The verdicts in the Pope Class Action and Riverwalk POA cases are not consistent with South Carolina s economic loss rule

- The jury s verdict was not supported by the credible evidence presented in this case

Because of these errors, the Heritage Defendants are entitled to a new trial Accordingly, the jury s verdict should be overturned by this Court sitting as the thirteenth juror

II JUDGMENT NOTWITHSTANDING THE VERDICT

A judgment notwithstanding the verdict is a renewal of a directed verdict motion Roland v Palmetto Hills, 308 S C 283, 417 S E 2d 626 (Ct. App 1992) The Heritage Defendants renew their motions that certain additional portions of the POA Action and Class Action Plaintiffs claims and damages should have been dismissed outright. The Heritage Defendants renew the following points

- Over the Heritage Defendants continued objections Plaintiffs were allowed to present testimony regarding other construction projects and other lawsuits In essence as the Heritage Defendants argued at trial Plaintiffs were allowed to try multiple construction projects against the defendants This testimony was presented to implicate the Heritage Defendants liability through improper character evidence

- The trial court should have directed a verdict in favor of the Heritage Defendants on punitive damages because Plaintiffs failed to prove or provide any testimony that the conduct during the construction of the Riverwalk condominiums arose to the level of clear and convincing evidence of liability

- The Plaintiffs failed to prove their case every time their experts and attorneys acknowledged that they cannot say how much damage is actually on the condominium buildings

- The trial court erred in finding that Heritage Communities, Heritage Riverwalk, and Buildstar were an amalgamation of corporate interests under the Court of Appeals case of Kincaid v Landing Development Corp., 289 S C 89 344 S E 2d 869 (Ct App 1986) and, therefore should be treated as the same entity This finding blurred the distinct causes of action that the Plaintiffs actually asserted against the separate entities in the underlying pleadings

- The trial court improperly granted Plaintiffs' motion for a directed verdict on the negligence cause of action in contravention of the clear testimony in the record by the experts for Plaintiffs, Defendants, and even the building code witness that it is impossible to build a structure free from all possible building code violations Alleged violations of the building code are not sufficient standing alone, to establish a directed verdict on the negligence claim At the very least, the issue of what were the independent duties of the Heritage Defendants and whether these duties were in fact breached were questions for the jury

- The negligence finding further prejudiced the Heritage Defendants as a result of the Court providing instructions on punitive damages Since it is an impossibility to construct a perfect building,' providing the jury with repetitive instructions discussing "willful and wanton' behavior for punitive damages was unduly prejudicial when considering all the evidence as a whole

- The Court should have directed a verdict in favor of Defendants on the habitability claim in the Pope Class Action

- The conduct complained of even if true does not rise to willful wanton or reckless conduct and, therefore, Plaintiffs prayer for punitive damages should have been struck

- The Court erred by not decertifying the Pope Class Action as the testimony and evidence showed that the requirements of Rule 23 SCRCP for commonality and proper class representation were not fulfilled

- The Heritage Defendants incorporate all arguments made at the close of Plaintiffs case and renewed at the close of all evidence

III NEW TRIAL ABSOLUTE

The Defendants move for a new trial based on errors of law at trial In addition Defendants move for a new trial due to the excessive verdict. The trial judge must grant a new trial absolute if the amount of the verdict is grossly excessive so as to shock the conscience of the court and clearly indicates the figure reached was the result of passion caprice, prejudice, partiality, corruption or some other improper motives Vinson v Hartley, 324 S C 389 477 S E 2d 715 (Ct App 1996) The failure of the trial judge to grant a new trial absolute in this situation amounts to an abuse of discretion and, on appeal this court will grant a new trial absolute Id The Heritage Defendants respectfully submit that any of the following reasons entitle them to a new trial absolute

- The Heritage Defendants are entitled to a new trial absolute in both the POA Action and the Class Action The jury's verdict in the POA Action was $4 250 000 actual damages and $250 000 punitive damages The jury s verdict in the Class Action was initially $0 00 actual damages and $1 000 000 punitive damages The final verdict in the Class Action was $250 000 actual damages and $750 000 punitive damages The Heritage Defendants respectfully submit that the jury s verdicts in both cases were the product of passion, caprice prejudice, partiality or some other improper motive
- The Heritage Defendants reassert all grounds itemized in Section I under the Thirteenth Juror Doctrine

IV NEW TRIAL *NISI REMITTITUR*

The trial court has the power to grant a new trial nisi Remittitur when "the verdict indicates the jury was unduly liberal in determining damages Becker v Wal-Mart Stores, Inc , 339 S C 629 637 529 S E 2d 758, 762 (Ct App 2000) The trial court must ' evaluate the adequacy of the verdict in light of the evidence presented Id In the underlying POA Action

and Class Action cases, the trial court should grant a nisi Remittitur to the amount of $2 518,196 48[2] based on at least the following points

- The Trial Judge has the power to grant a new trial nisi when it finds the amount of the verdict to be excessive As asserted above the $5 5 Million verdict awarded to Plaintiff was excessive The verdict should be reduced to the sum of Two Million Three Hundred Ninety-One Thousand Six Hundred Nineteen and No/100 ($2,319 619 00) Dollars for the the accurate repair figure prepared on behalf of the Defendants rather than the excessive figure proposed by the Plaintiffs, plus One Hundred Twenty Six Thousand, Five Hundred Seventy Seven and $^{48}/_{100}$ ($126 577 48) Dollars for the repairs already made

- The Court should consider the testimony regarding lack of proven sheathing or framing damage and should find the Heritage Defendants' estimate was accurate and true and remit the verdict consisted therewith.

Additional grounds for the grant of a new trial nisi remittitur are discussed in section V below regarding punitive damages

V PUNITIVE DAMAGES REVIEW

The Trial Court is required to review all awards of punitive damages and, to ensure that ' no award be grossly disproportionate to the seventy of the offense, the trial court shall set forth its findings on the record Gamble v Stevenson, 305 S C 104 111-112 406 S E 2d 350 354 (1991) An award of punitive damages must be proven by clear and convincing evidence Longshore, 365 S C at 564 619 S E 2d at 11

The factors the trial court is advised to rule on include "(1) defendant's degree of culpability, (2) duration of the conduct, (3) defendant's awareness or concealment (4) the existence of similar past conduct (5) likelihood the award will deter the defendant or others from like conduct, (6) whether the award is reasonably related to the harm likely to result from such conduct, (7) defendant s ability to pay, and finally, (8) as noted in [Pacific Mut Life Ins Co v Haslip, 499 U S 1, 111 S Ct 1032 (1991)] "other factors deemed appropriate [such as the

[2] The sum of the Heritage Defendants repair costs ($2 391 619 00) plus the Noble Company repairs ($126 577 48)

impact on innocent third parties"] ' Gamble, 305 S C at 111-12, 406 S E.2d at 354 This review ensure[s] that the award does not exceed an amount that will accomplish society s goals of punishment and deterrence " Pacific Mut. Life Ins Co v Haslip, 499 U S 1 21 111 S Ct. 1032 1045 (1991) (citation and internal quotation omitted)

The Heritage Defendants submit that punitive damages were not warranted in the present Riverwalk lawsuits based on the following factors

- The punitive damages award violates the mandate of State Farm Mutual Automobile Insurance Company v Campbell, 538 U S 408 123 S Ct 1513 155 L Ed 2d 585 (2003) The harm was economic not physical and the jury was allowed to hear evidence of other projects which bore no relation to these plaintiffs actual damages
- The Court improperly admitted evidence of alleged construction defects at other projects developed by Heritage Litchfield Inc , Heritage Azalea Lakes, Inc Gardens at Cypress Bay Inc Heritage Magnolia, Inc and Heritage Magnolia North, Inc
- Plaintiffs claim that a breach of a building code is tantamount to a statutory breach such that it is evidence of willful wanton, or reckless conduct is not the law of the State of South Carolina Evidence of a breach of a locally adopted building code does not rise to willful wanton, or reckless conduct
- Heritage was improperly and unfairly deemed culpable for defects which were the workmanship of other contractors Therefore, Heritage was unfairly deemed responsible and punished for work which was not its own.
- The punishment for alleged building deficiencies when the buildings were prima facie constructed in compliance with local codes as evidenced by the Certificates of Occupancy constitutes punishment for lawful conduct in violation of the Constitutions of the United States of America and the State of South Carolina
- The only evidence in the record is that when Defendants became aware of potential issues relating to the construction of these units, they affirmatively took steps to address those issues
- The Plaintiffs do not sufficiently meet any proof regarding existence of similar past conduct since the evidence upon which they exclusively rely appears to be that other alleged deficiencies of other Heritage entities However, such "conduct ' was not in the "past, but all projects were being concurrently developed and Plaintiffs fail to meet the ' past conduct" prong of Gamble

- There is no deterrent effect for punitive damages since the only evidence in the record is that the Heritage entities are not an ongoing business entity and effectively ceased construction activities by August 2000
- There is no evidence of punitives being reasonably related to the harm caused by these alleged defects since the harm" is fully compensated and covered by the actual damages verdict
- There is no evidence of the Heritage entities ability to pay since the Heritage entities are not an ongoing business
- The jury was not properly charged relating to punitive damages
- The jury heard reference to willful wanton, and reckless conduct within the context of the explanation of negligence which was doubly confusing since the court had already directed a verdict as to negligence Thus the charge equated willful, wanton, and reckless conduct with the preponderance of evidence burden of proof rather than the much higher clear and convincing evidence burden of proof for punitives
- The Court should have struck the punitive damages verdict on loss of use class action claim since the jury did not return an actual damages verdict In South Carolina, in order to award punitive damages there must be an award of actual damages Gamble v Stevenson, 305 S C 104 111 406 S E 2d 350 354 (1991) (citing Carroway v Johnson, 245 S C 200 139 S E 2d 908 (1965))
- The punitive damages are impermissibly high in comparison to actual damages and exceeds that which is acceptable for economic loss under Constitutional due process.

VI SETOFF

The Heritage Defendants move for setoff A set off is a matter of right when the claims from which the prior settlements and the current trial arise "out of the same factual scenario Vortex, 378 S C at 209 210 662 S E 2d at 451 (quoting and citing with approval, Ellis v Oliver, 335 S C 106 515 S E 2d 268 (Ct App 1999)) The reduction in a jury verdict through a set off from a prior settlement between the Plaintiff and another party in the same litigation prevents double recovery for the Plaintiff arising from the same alleged damage See Welch v Epstein, 342 S C 279, 312 536 S E 2d 408 425 (Ct App 2000) (In other words, there can be only one satisfaction for an injury or wrong.")

In the present litigation, the Heritage Defendants are entitled a total set-off in the amount of $1,028 821 69 based on the settlement of claims against co-defendants noted in the following table

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Total set-off		**$1,028 821 69**

All settlements paid in settlement to the common litigation are subject to a set-off See Vortex supra, Ellis, supra Centex Rooney Construction Co , Inc v Martin County, 706 So 2d 20 (1997) Therefore, the Heritage Defendants are entitled to a ***total*** set-off against the final verdict—after any grant of a new trial and/or nisi remittitur if applicable—in the amount of $1 028 821 69

CONCLUSION

For the foregoing reasons, the Heritage Defendants respectfully submit that this Court should order a new trial under the thirteenth juror doctrine Alternatively this Court should order judgment notwithstanding the verdict In the next alternative, this Court should order a new trial absolute In the further alternative, Defendants request a remittitur of the verdict amount to equal no more than the total of the Heritage Defendants repair cost plus the interim repair costs from 2003 through 2008

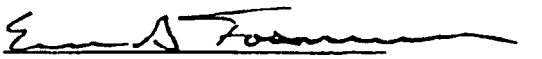
In addition as a substantial right regardless of the decisions on the post-trial motions noted in the previous paragraph the trial court must review the award of punitive damages and

make specific findings regarding the same on the record The Heritage Defendants respectfully submit that punitive damages should not have been awarded in this case, as the evidence at trial did not arise to the requisite level of clear and convincing evidence to award punitive damages

Finally independent from the decisions on the matters referenced in the two paragraphs above the trial court must grant a total set-off in the amount of $1 028 821 69 and reduce the final verdict amount, after remittitur if applicable accordingly

In support of this motion, the Defendants will rely upon the law of this state, the pleadings, the record at trial any memoranda offered in support thereof and oral arguments as may be heard

Respectfully submitted,
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