

THE STATE OF SOUTH CAROLINA
In The Supreme Court

CERTIFIED QUESTIONS
United States District Court for the District of South Carolina

Patrick Michael Duffy, Senior U.S. District Judge

Appellate Case No. 2016-001766

RECEIVED

JUN 19 2017

S.C. SUPREME COURT

Paul Chenard and Rebecca Chenard, Plaintiffs,

v.

Hilton Head Island Development Company, LLC d/b/a
Coral Resorts and Sunrise Vacation Properties, Ltd., d/b/a
Coral Resorts, Defendants.

James Nichols and Irene Nichols, Plaintiffs,

v.

Hilton Head Island Development Company, LLC,
Sunrise Vacation Properties, Ltd., Sherri J. Smith,
Patrick Budnick, and Robert Lauderman, Defendants.

Linda Renchkovsky, Plaintiff,

v.

Coral Resorts, LLC, and Sunrise Vacation Properties
Ltd. d/b/a Coral Resorts, Defendants.

Robert Curry, Jr. and Monica R. Curry, Plaintiffs,

v.

Hilton Head Island Development Company, LLC d/b/a
Coral Resorts and Sunrise Vacation Properties, Ltd. d/b/a
Coral Resorts, Defendants.

Charles Olenick and Karen Maniscalco, Plaintiffs,

v.

Coral Resorts, LLC and Sunrise Vacation Properties, Ltd.
d/b/a Coral Resorts, Defendants.

Phillip Ross and Kimberly Ross, Plaintiffs,

v.

Hilton Head Island Development Company, LLC,
Sunrise Vacation Properties, Ltd., Sherri J. Smith, David
Watson, and Sheldon Stanhope, Defendants.

**REPLY TO PLAINTIFFS' RETURN TO
DEFENDANTS' PETITION FOR REHEARING**

Hilton Head Island Development Company, LLC, Coral Resorts, LLC, Sunrise Vacation Properties, Ltd., Sherri J. Smith, David Watson, Sheldon Stanhope, Robert Lauderman, and Patrick Budnick ("Defendants") submit this Reply in response to Plaintiffs' Return to Defendants' Petition for Rehearing.

Defendants' Petition for Rehearing mainly addressed the Court's ruling on the third certified question, which was:

Are the South Carolina Real Estate Commission's determinations as to whether the Timeshare Act was violated binding on the courts of the judicial branch?

The Court answered this certified question, stating:

We therefore hold that the REC's decisions must be subject to judicial review and answer the certified question "no," as qualified below.

Opinion No. 27720, filed May 17, 2017, p. 12. The Court qualified its "no" as follows:

if a court, either in a proceeding brought pursuant to the APA or in the underlying litigation declares the REC acted within its lawful authority in issuing a particular decision, the REC's decision is then binding on the courts. Our law only requires that there be some avenue for a court to determine the validity of the REC's ruling. **If the court satisfies itself that the decision was lawful, there will be no further inquiry into the wisdom of the REC's decision.**

Id. At 15 (emphasis added.) Defendants assert the Court overlooked or misapprehended several points in its qualified answer to the third certified question. In response to Plaintiffs' Return, Defendants incorporate by reference their previous points in their Petition for Rehearing and further expand several aspects of their Petition for Rehearing to demonstrate that the Court's interpretation of the Timeshare Act violates the South Carolina Constitution, the Timeshare Act itself, and public policy considerations.

1. Plaintiffs have no private rights affected by REC registration decisions as required by the state constitution to entitle them to any due process.

Most importantly, the Court overlooks or misapprehends the distinction between two types of determinations that the South Carolina Real Estate Commission ("REC") is authorized to make: (1) decisions regarding the registration of timeshare plans including approval of documents to be used in the purchase transaction, and (2) determinations of whether there has been a violation of the South Carolina Vacation Time Sharing Act, S.C. Code Ann. § 27-32-10 *et seq.* ("the Timeshare Act").

The first type of decision the REC is authorized to make is whether to register a timeshare plan thereby permitting the sale of timeshare interests from that timeshare plan.

Prior to timeshare interests being sold, the timeshare plan from which the interests are sold must be registered by the REC. S.C. Code Ann. § 27-32-20(1). To register a timeshare plan, a timeshare seller must submit a great deal of information to the REC. The REC is charged with determining the "sufficiency and satisfactory compliance with the Timeshare Act" of the following materials:

- A copy of the Contract for the purchase of a timeshare interest, which contract must set forth the rights and obligations of the purchaser and seller;
- Promotional brochures, pamphlets, advertisements, or other material disseminated to the public in connection with the sale of the vacation time sharing plan;
- A description of the type of entity through which interests in the timeshare plan will be sold;
- A copy of contracts between seller and persons providing accommodations to purchaser;
- All rules, regulations, conditions, or limitations on the use of accommodations or facilities under the timeshare plan; and
- Projected budget of recurring expenses that may become the responsibility of all purchasers.

S.C. Code Ann. § 27-32-20(2). Upon receipt of these materials, the REC must examine the plan and associated documents to determine their "sufficiency and satisfactory compliance with this chapter." S.C. Code Ann. § 27-32-20(3).

Within thirty days, the REC must act on the application to approve or reject it. S.C. Code Ann. § 27-32-190(A)(2). If the REC "affirmatively determines, upon inquiry and examination" that the registration application meets the requirements of the Timeshare Act, it must issue an order registering the plan. S.C. Code Ann. § 27-32-190(A)(2)(a). If the REC determines that more information is needed about the proposed plan, it can request such information and corrections to the proposed plan and associated transaction documents such as the purchase contract, public offering statement, rules and regulations, or projected budgets. "If an order of rejection is not entered within thirty days

from the date of application, the vacation time sharing plan is considered registered unless the applicant has consented in writing to a delay.” S.C. Code Ann. § 27-32-190(A)(2). Review of timeshare plan applications, including the documents proposed to be used in the transaction, is a time-consuming, detailed procedure that requires the specialized institutional knowledge of the REC.

Defendants reiterate that the REC’s determinations regarding registration of a timeshare plan and approval of documents to be used in the timeshare purchase transaction do not “affect private rights” in any manner that entitles Plaintiffs to seek judicial review of those determinations. In its Opinion, the Court ties Plaintiffs’ right to seek judicial review of any decision of the REC to the state constitution, which provides, “No person shall be finally bound by a judicial or quasi-judicial decision of an administrative agency affecting private rights except on due notice and an opportunity to be heard.” S.C. Const. art. I, § 22. The critical question flowing from this constitutional provision, then, is what “private rights” of the Plaintiffs would be affected by an order of the REC finding that a timeshare plan was registered? The answer is “none.”

In the context of the original registration of a proposed timeshare plan and approval of documents to be used in the transaction, there could be no private rights of purchasers affected. Logically, as to the original registration of timeshare plans, there could be no effect on private rights because a putative purchaser/plaintiff would not have purchased their timeshare interest at the time the timeshare plan would have been registered because such registration must occur prior to the sale of any timeshare interest. The same is true for the REC’s review and approval of the form of the documents to be used in the transaction because such document review and approval is a statutorily-required

step in the overall process for the registration of a timeshare plan. S.C. Code Ann. § 27-32-20(2).

Plaintiffs attempt to argue the existence of some effect on “private rights” in relation to the determination of the REC that permitted Coral Resorts, LLC and Hilton Head Island Development Company, LLC to pay annual renewal fees. Nevertheless, Plaintiffs fail to articulate what right they have regarding this determination of the REC that would have any effect on a “private right.” Plaintiffs themselves (Pltfs.’ Reply Brief, p. 5) put into the record the transcript from the hearing before the REC four and one-half years ago wherein the REC permitted Coral Resorts, LLC and Hilton Head Island Development Company, LLC to pay the annual renewal fees and then “go on their way” with no effect on the prior registration status of the subject timeshare plans. (Tr. of Hrg., dated Jan. 23, 2013, 113:9.) Such determination had no effect on Plaintiffs’ private rights because the REC’s determination addressed the timeshare plan as a whole. The REC’s power to make such a determination on behalf of the plan as a whole is underscored by the fact that by statute the Legislature gave the REC the power to “make a public or private investigation it considers necessary . . . to determine if a person has violated or is about to violate” the Timeshare Act” S.C. Code Ann. § 27-32-190(B)(1).¹

To the extent there was any effect on Plaintiffs’ rights—which Defendants deny there was—such effect would have extended to all purchasers in the same way and not to the “private rights” of Plaintiffs. Just as in the case of public nuisance, no cause of action can lie where it is the interest of the public in general that is affected, hence the

¹ The Honorable Ralph K. Anderson, III, chief Administrative Law Judge, reviewed the REC’s January 23, 2013 decision as to the timeshare plans at issue here and determined it was lawful. (Private Order, dated March 18, 2014.)

constitutional requirement that there be some effect on “private rights” as a prerequisite to according due process rights. Accordingly, there exists no effect on a private right entitling Plaintiffs to seek judicial review of REC determinations regarding the status of a timeshare plan’s registration and compliance of statutorily-required documents.

Defendants also take note that in their Return to Spinnaker’s Petition for Rehearing, counsel for the Fullbrights admits that he was present at the hearing before the REC regarding Spinnaker. (Pltfs.’ Return to Pet. for Rehearing, dated June 12, 2017, p. 5.) Plaintiffs’ counsel address this issue because the Court in its Opinion included in a footnote Plaintiffs’ unsupported contention that Spinnaker had used the private REC to “go behind the backs” of the Fullbrights. As to Spinnaker, Plaintiffs’ counsel admits he was at the hearing. Just as there was nothing improper in the manner in which the REC heard Spinnaker’s matter, there also was nothing irregular in the manner in which the REC heard the matter regarding the issue of payment of annual renewal fees in relation to Defendants. As can be gleaned from the transcript of the hearing put into the record by Plaintiffs, the hearing took place before any of Plaintiffs filed a lawsuit. Plaintiffs only filed lawsuits after Plaintiffs’ counsel was improperly given a copy of the transcript (determined by the ALC and the circuit court to be private). Rather than an attempt by Defendants to circumvent involvement by the trial courts, this is instead an attempt by Plaintiffs to re-litigate matters that were decided long before they ever filed their lawsuits.

2. The Timeshare Act does not create any new private right of action but merely protects the rights of action already existing within the Timeshare Act.

A determination that no timeshare owner’s private rights are affected by REC determinations on registration is consistent with Defendants’ position that the Timeshare Act does not create a new right of action for timeshare owners. The plain language of

section 27-32-130 does not create a new private right of action. Instead, it merely protects rights of action that already exist elsewhere in the Timeshare Act. This section states:

The Real Estate Commission is responsible for the enforcement and implementation of this chapter and the Department of Labor, Licensing and Regulation, at the request of the Real Estate Commission, shall prosecute a violation under this chapter. The commission shall promulgate regulations for the implementation of this chapter, subject to the State Administrative Procedures Act. The provisions of this section **do not limit the right of a purchaser** or lessee to bring a private action to enforce the provisions of this chapter.

Id. (emphasis added). The phrase “do not limit the right of a purchaser” does not state and cannot be read to state “a purchaser is granted a private right of action.” Instead, the language “do not limit” presupposes that the purchaser already had the ability to bring to a legal action for claims arising from a timeshare purchase and it is that ability that is protected by the last sentence of section 27-32-130.

Such rights do exist in the Timeshare Act. Three examples are:

1. Section 27-32-55 provides that a purchaser may bring an action under the Unfair Trade Practices Act, S.C. Code Ann. Sections 32-9-10 through -180.
2. Section 27-32-90(c)(2) contemplates that a purchaser may bring an action in a court of competent jurisdiction for the recovery of disputed escrow funds.
3. Sections §§ 27-32-200 through -230 create the Vacation Time Sharing Recovery Fund, which provides for an aggrieved person to initiate an arbitration proceeding to recover from the Fund if his or her claim is based on a specific violation of the Timeshare Act.

The last sentence of section 27-32-130 makes clear that private rights of action existing in the Timeshare Act continue to exist even in the face of what would appear to be plenary authority of the REC to prosecute violations of the Timeshare Act stated in the immediately preceding sentence.

The Court, in permitting timeshare owners to bring private actions challenging the validity of timeshare plan registrations and document approvals, **creates** a new right of action not found in the Timeshare Act. This goes beyond the language of section 27-32-130, which merely **protects** existing rights. Such a holding is inconsistent with the determination of the Court that the Timeshare Act is unambiguous and, thereby, not subject to interpretation.

- 3. Express public policy to protect the stability of the timeshare industry necessitates a finding that registration and document decisions of the REC are not subject to challenge in the courts of the judicial system by timeshare owners.**

Permitting Plaintiffs and other timeshare owners to pursue claims without a basis in private rights would not only be contrary to the terms of the state constitution and the Timeshare Act, but it would also create havoc in the timeshare industry.

Such uncertainty arises from the following language of the Opinion:

Our law only requires that there be some avenue for a court to determine the validity of the REC's ruling. If the court satisfies itself that the decision was lawful, there will be no further inquiry into the wisdom of the REC's decision.

Opinion No. 27720, filed May 17, 2017, p. 15. This particular language of the Court's Opinion is overbroad and encompasses determinations where the REC approved a timeshare plan registration and transaction documents years and, in some cases, decades ago.

Throughout these proceedings, at the District Court and before this Court, Defendants addressed this issue of initial registration only in the abstract. To make Defendants' concerns more concrete for the Court, Defendants now provide examples of specific determinations from the REC approving the registration of particular timeshare plans and the use of associated transaction documents. (See *e.g.*, **Ex. 1** (First Order of

Registration for Coral Reef, dated Nov. 1, 1995); **Ex. 2** (Letter dated April 11, 2002 from Kenneth Kitts of the REC confirming authority to sell vacation timeshare ownership interests in Coral Sands, Phase I); **Ex. 3** (Letter dated May 30, 2003 from Kenneth Kitts of the REC confirming authority to sell vacation timeshare ownership interests in Coral Sands, Phase 2), **Ex. 4** (Letter dated August 5, 2004 from Kenneth Kitts of the REC confirming authority to sell vacation timeshare ownership interests in Island Links, Buildings 13 and 6).

In referring to determinations of the REC, the Opinion uses two phrases “the REC’s ruling” and “the REC’s decision.” This language encompasses every possible “ruling” or “decision” the REC might make in relation to a timeshare plan. Taking those broad terms of the Court’s Opinion to their logical conclusion, a purchaser may seek to challenge even these most fundamental determinations in litigation initiated more than 20 years after the REC approved the registration and contract documents. The stability of the timeshare industry depends on registrants’ ability to rely on the REC’s determinations, confirmations, and orders to conduct the most basic aspect of their business—selling timeshare interests.

The economic health and continued stability of South Carolina’s timeshare and tourism industry depends upon the expertise, institutional knowledge, and consistency of decisions that only the REC can provide. In this case, at least one primary purpose of the Timeshare Act is embedded in the statutory language—i.e., to protect the “economic health and continued stability of the vacation time sharing industry.” S.C. Code Ann. § 27-32-405(M). The Timeshare Act must be construed in light of that intended purpose. Permitting plaintiffs to challenge the validity of the REC’s registration determinations or

its approval of statutorily-required documents in the courts of the judicial branch would undermine the stability of the timeshare industry, in direct conflict with the plain language of one of the statutory purposes of the Timeshare Act. If Plaintiffs or any other timeshare purchaser are permitted to undertake such attack on the REC, regulated persons, including Defendants, will have no ability to predict how, when, or why their registrations and statutorily-required documents might be called into question. The timeshare industry would be crippled in South Carolina. That cannot be the result the Legislature intended. There must be finality in registration and document-approval decisions of the REC; otherwise, the stability of the entire timeshare industry, a significant contributor to the economy of this state, is at stake.

CONCLUSION

Based upon the foregoing, Defendants request this Court to reconsider its decision and determine that decisions of the REC regarding the registration status of timeshare plans and the approval of statutorily-required documents are binding on the courts of the judicial branch.

Signature on following page



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ISLAND DEVELOPMENT COMPANY, LLC**

June 19, 2017

Columbia, South Carolina

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June 19, 2017

Columbia, South Carolina

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ATTORNEY FOR DEFENDANTS

June 19, 2017

Columbia, South Carolina

THE STATE OF SOUTH CAROLINA
In The Supreme Court

CERTIFIED QUESTIONS
United States District Court for the District of South Carolina

Patrick Michael Duffy, Senior U.S. District Judge

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v.

Hilton Head Island Development Company, LLC d/b/a
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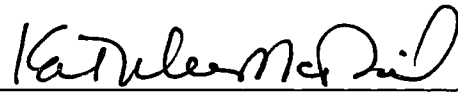
Hilton Head Island Development Company, LLC,
Sunrise Vacation Properties, Ltd., Sherri J. Smith, David
Watson, and Sheldon Stanhope, Defendants.

PROOF OF SERVICE

I certify that I have served the Reply to the Response to the Petition for Rehearing on the following by causing a copy to be mailed via U.S. Mail, postage pre-paid, to Counsel for the Plaintiffs on June 19, 2017, at the addresses shown below:

Zach S. Naert, Esq.
Joseph DuBois, Esq.
NAERT & DuBois, LLC
Post Office Box 7228
Hilton Head Island, SC 29938

[Signature on following page]



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June 19, 2017

Columbia, South Carolina

Exhibit 1

BEFORE THE SOUTH CAROLINA REAL ESTATE COMMISSION

COLUMBIA, SOUTH CAROLINA

REC FILE NO.

IN RE:)	
CORAL REEF VILLAS AT SHIPYARD)	
PLANTATION PHASE I, UNITS 101 TO 108,)	FIRST ORDER
AND REBASHARES DEVELOPMENT)	OF
COMPANY, L.L.C., A SOUTH CAROLINA)	REGISTRATION
LIMITED LIABILITY COMPANY)	
_____)	

WHEREAS, REBASHARES DEVELOPMENT COMPANY, L.L.C., A SOUTH CAROLINA LIMITED LIABILITY COMPANY (hereinafter called "Seller"), by and through its attorneys and representatives, has applied for authorization to sell vacation time sharing ownership interests in the above-captioned facilities and accommodations in accordance with the South Carolina Vacation Time Sharing Plan Act, Section 190 of Chapter 32 of Title 27, Code of Laws of South Carolina, 1976, as amended (the "Act"); and

WHEREAS, SELLER, as an inducement for this Commission to grant registration of the captioned property under this Act, makes the following representations and undertakings:

WITNESSETH:

1. Seller owns in fee simple that certain property (hereinafter referred to as "the Property") located in Hilton Head Island, South Carolina, delineated and described in a plat of 4.497 Acres entitled "Plat of Phase I & Future Phases of Coral Reef Resort & Spa " dated May 10, 1995. A copy of this Plat, including a legal description of each portion of the property on which various Phases of the Coral Reef Resort project may be constructed, is attached as Exhibit "A."
2. Seller owns the above-mentioned property free and clear of all liens and encumbrances, except for:
 - (a) Easements, restrictions, rights-of-way, covenants, conditions, restrictions, use agreements, and developer agreements of record;
 - (b) Real property taxes for the year 1995 that are not yet due and do not yet constitute a lien against the property;

- (c) Real property taxes for subsequent years which are not yet due;
- (d) Any applicable zoning and other similar restrictions imposed by governmental authority; and

(e) First Mortgage and Security Agreement in favor of Branch Banking & Trust (BB&T), in the face amount of \$1, 280, 790.00 and dated September 29, 1995. The documents creating this blanket lien allow partial release of the lien prior to or at the time of closing. Under the terms of the Trust Agreement (later referred to as Exhibit "E"), Seller will convey title to the individual interval weeks to the Trustee upon the Seller's payment of the construction loan release prices. The Trustee will hold title to the interval weeks free and clear of all liens and encumbrances, and upon the full payment of amounts evidenced under the purchase contracts and sales notes, the Trustee will convey the individual interval weeks to the purchasers free and clear of all mortgages and liens.

Seller further warrants that it will not encumber the units with liens of a monetary nature unless such liens include release provisions guaranteeing such liens will not constitute a lien on any time share interest when sold pursuant to this Order. Seller further warrants to notify the Commission if it should encumber the units and to provide copies of the new encumbrance and release provisions within thirty days of its execution.

3. Seller shall submit the Property to the condominium form of ownership and to the vacation time share ownership plan by filing the Master Deed for Coral Reef Villas Horizontal Property Regime (the "Master Deed"). The vacation time share ownership plan allows the Seller to offer Floating time share weeks with 51 annual use periods per unit. The Plan also includes a provision allowing Seller to offer its units and time share interests on an alternate year basis. A condominium unit is committed to the vacation time share ownership plan on conveyance of the first unit week within a condominium unit. A draft copy of the Master Deed is on file with this agency. Seller warrants that it shall provide the Commission with a certified true copy of the recorded Master Deed immediately after the recording of same.

4. Phase I of this condominium shall consist of one (2) building containing a total of eight (8) two bedroom units and numbered 101-108. The on-site amenities to be constructed as part of Phase I consist of one (1) swimming pool with a surrounding deck, one (1) outdoor spa and a pool house containing a sauna. Additional amenities may be

constructed, and if built, all owners within the time share project will have the right to use these amenities. Seller has also entered into a Golf Facility Use and Access License Agreement for the benefit of the purchasers.

5. Seller shall sell vacation time share ownership interests in the captioned property, free and clear of all monetary liens and encumbrances and according to the terms of that certain Purchase Contract, the form of which is attached as Exhibit "B-1". The form of Deed to be used in Phase I is attached as Exhibit "C". The Seller may offer financing to purchasers according to the terms of the Retail Installment Contract, Purchaser Loan Agreement and Disclosure Statement, attached collectively as Exhibit "D."

6. In order to protect purchasers' cancellation rights granted pursuant to Section 27-32-60 of the Act, to provide for an escrow for construction which is not yet completed pursuant to Section 27-32-140 of the Act, and to provide for an escrow of pre-construction sales proceeds pursuant to Section 27-32-140 of the Act, Seller has entered into that certain Escrow Agreement dated August 5, 1995 with William M. Foiles, Attorney, as Permanent Escrow Agent and RBC Enterprises, Inc. as the Four Day Escrow Agent. Cash sales received prior to substantial completion of Phase I are to be held in Escrow according to the above-noted Escrow Agreement and the provisions of Section 27-32-140 of the Act. Installment sale payments received from time share plan unit purchasers after closing of the construction loan but prior to substantial completion of Phase I shall be held in escrow by the Trustee, William M. Foiles, serving in his capacity as permanent escrow agent. The terms of the Escrow Agreement is attached as "Exhibit E."

7. Seller has engaged the services of RBC Enterprises, Inc. with Mark Mollica, Broker-in-Charge, to market the sale of vacation time share ownership interests in the captioned units. Seller acknowledges its joint and several liability with RBC Enterprises, Inc. with Mark Mollica, Broker-in-Charge to insure that all sales personnel associated with it and with the Property are duly licensed pursuant to the provision of Chapter 57 of Title 40, Code of Laws of South Carolina, 1976, as amended, and further acknowledges their joint and several responsibility to comply with any federal, state or local laws, including but not limited to the South Carolina Vacation Time Sharing Plan Act and the South Carolina Unfair Trade Practices Act.

8. In order to provide for the ongoing maintenance and management of the Property, Seller, on behalf Coral

Reef Plantation Owners Association, Inc., has entered into a Management Agreement with Reba Management, Inc..
A copy of this Agreement is attached as Exhibit "F."

9. An initial annual maintenance assessment for each vacation time share ownership interest sold within the captioned units has been established by the Seller as set forth in the maintenance budget attached as Exhibit "G".

10. Seller warrants that the Master Deed provides that Seller shall pay either the lessor of the cumulative total of all assessments on all unsold and non-conveyed Time Share Interests or the sum equal to the operating deficit experienced by the Association during the applicable calendar year including provisions for appropriate long term capital and replacement reserves. The operating deficit shall be determined at the end of the applicable accounting period adopted by the Association and is calculated by subtracting the cash expenses of the operation of the Association from the total revenues received by the Association from the payment of all assessments.

11. Seller warrants that it has secured and will maintain full replacement value casualty insurance with comprehensive liability coverage on each unit and its contents prior to conveying title to any vacation time share ownership interests therein.

NOW, THEREFORE, based on the representations in Seller's application for registration and the undertakings recited above, all of which are specifically relied on in issuing this Order, it is

ORDERED AND DECREED that REBASHARES DEVELOPMENT COMPANY, L.L.C., is authorized to sell vacation time share ownership interests within the captioned facilities and accommodations for a period of one (1) year from June 13, 1995.

AND IT IS SO ORDERED



ROBERT L. SELMAN, ADMINISTRATOR
SOUTH CAROLINA REAL ESTATE COMMISSION

Columbia, South Carolina

November 1, 1995

THE FOREGOING REPRESENTATIONS HEREINABOVE CONTAINED ARE TRUE AND CORRECT, AND WE AGREE TO BE BOUND BY THE PROVISIONS HEREOF. WE FURTHER REPRESENT THAT THE PERSONS WHOSE SIGNATURES APPEAR BELOW ARE DULY AUTHORIZED TO EXECUTE THIS ORDER.

REBASHARES DEVELOPMENT COMPANY, L.L.C. ,
a S.C. LIMITED LIABILITY COMPANY

By: Judy P. Trewe
JUDY P. TREW
Its: Managing Member

DATE: 10-25-95

RBC ENTERPRISES, INC.

By: Mark Mollica
Mark Mollica
Its: Broker-in-Charge

DATE: 10-27-95

Exhibit 2



South Carolina Real Estate Commission

Synergy Business Park, Kingstree Building
110 Centerview Drive
Fort Office Box 11847
Columbia, SC 29211-1847
(803) 896-4400
FAX: (803) 896-4404

April 11, 2002

William M. Foiles, Attorney
PO Drawer 23797
Hilton Head Island, SC 29925

Re: Coral Sands Horizontal Property
Regime, Phase I, Units A-101, A-102
A-103, A-104, A-201, A-202, A-203
A-204, B-101, B-102, B-103, B-104
B-201, B-202, B-203 and B-204 and
Springwood Villas Horizontal Units
87 and 91
TS 791

Dear Mr. Foiles:

This letter is to confirm that the Commission has authorized the sale by Trew Holdings, LLC of vacation time share ownership interests in the above listed project and units. The effective date for the beginning of sales of was April 11, 2002.

This approval was based upon those certain representations and assurances filed with its application for registration.

The annual renewal fee will be \$50 and due beginning April 12, 2003.

Sincerely,

Kenneth Kitts
Time Share Program Coordinator

K/k

SOUTH CAROLINA DEPARTMENT OF LABOR, LICENSING AND REGULATION
Jtm Hodges Governor
Rita M. McKinney Director

Exhibit 3



South Carolina Department of Labor, Licensing and Regulation

Mark Sanford
Governor

Adrienne Riggins Youmans
Director

South Carolina Real Estate Commission

110 Centerview Drive
Post Office Box 11847
Columbia, SC 29211-1847
Phone: (803) 896-4400
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May 30, 2003

William M. Foiles, Attorney
PO Drawer 23797
Hilton Head Island, SC 29925

Dwright Trew, BIC
PO Box 5521
Hilton Head Island, SC 29938

Re: Coral Sands Horizontal Property
Regime, Phase 2, Units D-101, D-102,
D-103, D-201, D-202, D-203,
E-101, E-102, E-103, E-104, E-201,
E-202, E-203, E-204, F-101, F102,
F-103, F-201, F-202, F-203, G-101, G-102,
G-103, G-201, G-202, G-203, G-204 and
Springwood Villas Horizontal Units
86, 89, 90, 92, 95, and 96
TS 791

Dear Gentlemen:

This letter is to confirm that the Commission has authorized the sale by Trew Holdings, LLC of vacation time share ownership interests in the above listed project and units. The effective date for the beginning of sales of was May 30, 2003.

This approval was based upon those certain representations and assurances filed with its application for registration.

The annual renewal fee will be \$50 and due beginning May 29, 2004.

Sincerely,

Kenneth Kitts
Time Share Program Coordinator

K/k

Exhibit 4



South Carolina Department of Labor, Licensing and Regulation

Mark Sanford
Governor

Adrienne Riggins Youmans
Director



South Carolina Real Estate Commission

110 Centerview Drive
Post Office Box 11847
Columbia, SC 29211-1847
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www.llr.state.sc.us

August 5, 2004

William M. Foiles, Attorney
PO Drawer 23797
Hilton Head Island, SC 29925

Re: Island Links
Buildings 13 and 6
TS# TBA

Dear Mr. Foiles:

This letter is to confirm that the Commission has authorized the sale by Coral Resorts, LLC of vacation time share ownership interests in the above listed project and buildings. The effective date for the beginning of sales of was August 5, 2004.

This approval was based upon those certain representations and assurances filed with its application for registration. The annual renewal fee will be \$250 and due beginning August 6, 2005.

The Commission also has today approved Coral Resorts, LLC's request to sell the remaining registered and previously unsold inventory of Epic Resorts-Hilton Head, LLC that Coral Resorts acquired by purchase from Sunterra Hilton Head Development, LLC.(successor to Epic's bankrupt estate) on February 9, 2004

Sincerely,

Kenneth Kitts

Time Share Program Coordinator

K/k