

J. S & P / J P B

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STATE OF SOUTH CAROLINA)
) SECOND EXPANSION AMENDMENT TO
) MASTER DEED OF COLONNADE CLUB
 COUNTY OF BEAUFORT) HORIZONTAL PROPERTY REGIME

This Second Expansion Amendment (the "Expansion Amendment") to the Master Deed of Colonnade Club Horizontal Property Regime is made and entered into to be effective as of the 12 day of December, 1986 by and among all parties listed on Exhibit 1 attached hereto.

WITNESSETH:

WHEREAS, Colonnade Club Horizontal Property Regime (the "Regime") was organized pursuant to a Master Deed (the "Master Deed") dated as of May 13, 1986 and filed as of May 20, 1986, in the Office of the Register of Mesne Conveyances for Beaufort County South Carolina in Deed Book 449 at Page 38, and re-recorded in Deed Book 452 at Page 5, which that certain real property described in Exhibit 2 attached hereto (the "Expansion Land") is located; and,

WHEREAS, the First Expansion Amendment to the Master Deed of Colonnade Club Horizontal Property Regime was recorded in the Office of the Register of Mesne Conveyance for Beaufort County, South Carolina, on August 6, 1986, in Deed Book 455 at Page 1949 and re-recorded in Deed Book 460 at Page 2158; and

WHEREAS, Article XIII of the Master Deed expressly grants the Developer the right to construct additional Units on the Expansion Land and add the Expansion Land and all improvements constructed thereon to the Regime; and

WHEREAS, the Developer has completed construction of one (1) building, consisting of two (2) floors and twelve (12) Units, with amenities on the Expansion Land in accordance with the Exhibits attached hereto and desires to exercise the rights set forth under Article XIII of the Master Deed.

NOW, THEREFORE, in accordance with Article XIII of the Master Deed, the parties hereto agree as follows:

1. Definitions. All capitalized terms not otherwise defined in this Expansion Amendment shall have the respective meaning set forth in the Master Deed.

2. Submission of Expansion Phase to Regime. The Expansion Land, together with all improvements located thereon and all easements, rights and appurtenances thereunto belonging, (collectively the "Expansion Phase") are hereby submitted to the Regime in accordance with the terms of the Master Deed and the Act. From and after the date of recording hereof in the appropriate county real estate records office, the Expansion Phase shall be considered a part of the Regime as fully as if the Expansion Phase had been included in the description of the Land and the Project in the Master Deed as of the recording date thereof, subject to the express limitations set forth in the Master Deed.

Law Offices of
 Jones, Scheider &
 Patterson, P.A.
 Hilton Head Island, S.C.

BEAUFORT COUNTY TAX MAP REFERENCE

| Dist | Map | Submap | Parcel | Block |
|------|-----|--------|--------|-------|
| 540 | 15 | | 314D | |

3. Plat. Plats of the Expansion Land (which depicts all improvements thereon horizontally and vertically) (the "Plat") are attached hereto as Exhibit 3.

4. Floor Plan. Floor Plans for the Expansion Phase are attached hereto as Exhibit 4.

5. Description of Areas. Description of the portions of the Expansion Phase which constitute Units, Common Area and Limited Common Area, if differing from the Master Deed, are set forth in Exhibit 4 attached hereto.

6. Revision of Percentage Interests of Owners. Exhibit G to the Master Deed is deleted therefrom in its entirety and Revised Exhibit G which is attached hereto as Exhibit 5 is substituted therefor. Revised Exhibit G specifies the Assigned Values of, and respective Percentage Interests appurtenant to, all Units in the Regime after giving effect to the Expansion Phase. Revised Exhibit G shall be incorporated into the Master Deed as if set forth therein verbatim. From and after the date of recording hereof, Revised Exhibit G shall establish the Percentage Interests of all Owners of the Regime for all purposes and be binding on all Owners and mortgage-holders as fully as if Revised Exhibit G had been attached to the Master Deed on the recording date thereof.

7. Developer Representations. Pursuant to Section 13.2 of the Master Deed, the Developer hereby represents that:

(a) All improvements constructed on the Expansion Land have been constructed in a manner substantially similar in terms of design, exterior appearance, quality of construction, size, parking and landscaping to the twelve (12) Units and Common Area comprising the original Project; and the density of parking spaces per Unit at least equals the density of the original Project. A certificate as to the satisfaction of these conditions has been provided to the Association by Ferebee, Walters & Associates, P.A. (the "Architect"), an approved architect. Each certificate is attached hereto as Exhibit 6.

(b) The Architect has also provided to the Association a certificate as to the fact that all improvements constructed on the Expansion Phase appear to have been constructed in a good and workmanlike manner and the improvements are substantially complete and usable for the intended purposes. A punchlist of minor uncompleted items has been provided to the Trustee and sufficient funds escrowed with the Trustee to assure prompt completion of all Punchlist items.

(c) All real estate taxes and assessments due with respect to the Expansion Phase for the period from January 1, 1986 to the date hereof have been paid. All taxes and assessments prior to January 1, 1986 have been paid.

(d) A mechanics' lien affidavit has been provided to the Association evidencing that no person who has rendered services or

provided materials in regard to the construction of the Expansion Phase has a lien on any portion of the Project. Each affidavit is attached hereto as Exhibit 8.

(e) A Consent and Joinder of Mortgagee has been provided by the construction lender, First American Savings & Loan Association consenting to the addition of Phase 1-C to the existing Regime. Such Consent and Joinder of Mortgagee is attached hereto as Exhibit 7.

8. Limited Warranty from Developer. FOR A PERIOD OF ONE (1) YEAR, THE DEVELOPER SHALL AT NO COST TO THE ASSOCIATION REPAIR OR REPLACE (IN THE DEVELOPER'S DISCRETION) ANY PORTIONS OF THE COMMON AREA OF THE EXPANSION PHASE (EXCEPT FIXTURES, ACCESSORIES AND APPLIANCES COVERED BY SEPARATE WARRANTIES OF THEIR RESPECTIVE MANUFACTURERS, DEALERS OR INSTALLATION CONTRACTORS) WHICH ARE DEFECTIVE AS TO MATERIALS OR WORKMANSHIP. THIS LIMITED WARRANTY IS IN PLACE OF ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AND THE DEVELOPER DISCLAIMS ALL OTHER CONTRACTUAL OBLIGATIONS OR WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE FULLEST EXTENT PERMITTED BY LAW, THE LIABILITY OF THE DEVELOPER SHALL BE LIMITED TO SUCH REPAIR OR REPLACEMENT AND THE DEVELOPER SHALL NOT BE LIABLE FOR DAMAGES OF ANY NATURE, WHETHER DIRECT, INDIRECT, SPECIAL OR CONSEQUENTIAL, REGARDLESS OF WHETHER SUCH DAMAGES ARE CLAIMED TO ARISE OUT OF THE LAW OF CONTRACT, TORT, OR OTHERWISE, OR PURSUANT TO STATUTE OR ADMINISTRATIVE REGULATION. Each Owner, in accepting a deed from the Developer or any other Party to a Unit, expressly acknowledges and agrees that this paragraph establishes the sole liability of the Developer to the Association and the Owners related to defects in the Common Area and the remedies available with regard thereto. The one (1) year period referred to in this paragraph shall commence on the date hereof.

9. Annual Assessments. The Annual Assessment for the remainder of the current Annual Assessment Period shall be increased by Ten percent (10%), which shall be borne by the Units in the Expansion Phase as set forth in Section 13.9 of the Master Deed. Thereafter, all Units shall be assessed as otherwise provided in the Master Deed.

10. Working Capital Assessments. All obligations with respect to the Working Capital Assessment provided for in Section 4.8 of the Master Deed shall be applicable upon the transfer of the Units in the Expansion Phase by the Developer, with the sixty (60) day period specified in said Section to commence as of the recording date of this Expansion Amendment.

11. Integration. Upon the filing of this Expansion Amendment, all definitions contained in the Master Deed shall be amended to the extent necessary to cause the Expansion Land and Expansion Phase described in this Expansion Amendment to be considered an integral part of the Regime as if said Expansion Land and Expansion Phase constituted a Portion of the Project as of the recording date of the original Master Deed.

12. Title Matters. The Developer represents and warrants to the Association and all the Owners that as of the recording date hereof, the

OWNERS:

Each Owner Identified in Exhibit 1 Attached Hereto:

By: Rapalm Investment Company

By: William C. Palmer, Jr.

William C. Palmer, Jr.
Its: Managing General Partner
As Attorney-in-Fact for each Owner designated on Exhibit 1 attached hereto pursuant to the powers-of-attorney granted in accordance with the Master Deed.

CLND:EXP2-1-2 (12/5/86mjb)

Developer has a reasonably safe and marketable fee simple title to the Expansion Land, with the rights and interests of all Owners in and to the Common Area subject only to (i) liens for real estate taxes for 1986 and subsequent years; (ii) easements, conditions and restrictions of record; (iii) restrictions imposed by South Carolina Coastal Council (the "Coastal Council") in and to that portion (the "Critical Area") of the Land and the Expansion Land constituting tidelands and coastal wetlands, primary ocean-front sand dunes or beaches (as determined by the Coastal Council) and (iv) applicable governmental regulations, including zoning laws, which may be imposed upon the project from time to time; provided, however that the Developer warrants that the foregoing do not unreasonably interfere with the use of the Expansion Phase for residential purposes. In addition, the Developer shall indemnify and hold the Association and the Owners harmless from all liens, claims or causes of action of persons who have supplied materials to or rendered services in connection with the construction of the Expansion Phase.

13. Exhibits Attached. The following Exhibits are attached hereto and incorporated verbatim in this Expansion Amendment by reference as fully as if set forth herein.

| <u>Description</u> | <u>Identification</u> |
|---|-----------------------|
| Owners -- Phases I-A and I-B | 1 |
| Legal Description of Expansion Land | 2 |
| Plats | 3 |
| Floor Plans for Expansion Phase | 4 |
| Revised Exhibit G (Schedule of Assigned Values and Percentage Interests | 5 |
| Architects Certification | 6 |
| Consent and Joinder of Mortgagee | 7 |
| Mechanics Lien Affidavit | 8 |

15. Except as modified in this First Expansion Amendment, the Master Deed shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned have executed this Expansion Amendment for the uses and purposes set forth herein.

WITNESS

DEVELOPER:
RAPALM INVESTMENT COMPANY,
a South Carolina General Partnership

Judy T. Hoge
Heidi L. Lynn
Honore B. Altman

By: William C. Palmer, Jr.
William C. Palmer, Jr.
Its: Managing General Partner

STATE OF SOUTH CAROLINA)

COUNTY OF BEAUFORT)

PERSONALLY appeared before me the above witness and made oath that s/he saw the within named RAPALM INVESTMENT COMPANY by William C. Palmer, Jr., its Managing General Partner, sign, seal, and as its act and deed, deliver the within written Instrument; and that s/he with the other witness witnessed the execution thereof.

SWORN TO BEFORE ME THIS 1st
DAY OF December, 1986.

Kay Doette (SEAL)
Notary Public for SC
My commission exp.: 11/22/93

Panel B. Alth

STATE OF SOUTH CAROLINA)

COUNTY OF BEAUFORT)

PERSONALLY appeared before me the above witness and made oath that s/he saw the within named OWNERS by Rapalm Investment Company by William C. Palmer, Jr., its Managing General Partner, As Attorney-in-Fact for each OWNER, sign, seal, and as _____ act and deed, deliver the within written Instrument; and that s/he with the other witness witnessed the execution thereof.

SWORN TO BEFORE ME THIS 1st
DAY OF December, 1986.

Kay Doette (SEAL)
Notary Public for SC
My commission exp.: 11/22/93

Panel B. Alth

EXHIBIT "1"

SCHEDULE OF OWNERS - PHASES 1-A & 1-B

Unit Number

| | |
|-----|---|
| 173 | Richard J. and Linda J. Adamic |
| 174 | William T. H., Jr. and Susan J. MacNew |
| 175 | Rapalm Investment Company |
| 176 | William P. and Gerlinde Keyerleber; Kenneth J. and Jacqueline S. Hyduk |
| 177 | Donald A. and Carole M. Meis |
| 178 | George E. and Kathleen A. Reilly |
| 179 | Rapalm Investment Company |
| 180 | John S. and Joan M. Lesko; Michael F. and Jean L. Montemurro; Daniel T. and Patricia A. Dub |
| 181 | Rapalm Investment Company |
| 182 | Edward J. and Amy C. Guen |
| 183 | Philip J. and Julette E. Taylor and Harold T. Weiland |
| 184 | Terrence E. and Ruth D. Brod |
| 185 | Rapalm Investment Company |
| 186 | Daniel E. and Patricia C. Gaffney |
| 187 | Albert J., Jr. and Barbara M. Torstrick |
| 188 | Allen B., Jr. and Maida S. Tucker |
| 189 | John H. Zimmerman |
| 190 | Robert J. and Susan J. MacNew |
| 191 | P. Michael and Patricia R. Miller |
| 192 | Donald E. and Joanne J. Snowberger |
| 193 | William L. and Charlotte B. Turbeville |
| 194 | Rapalm Investment Company |
| 195 | Rapalm Investment Company |
| 196 | Harvey P. and Maryellen M. Yeager |

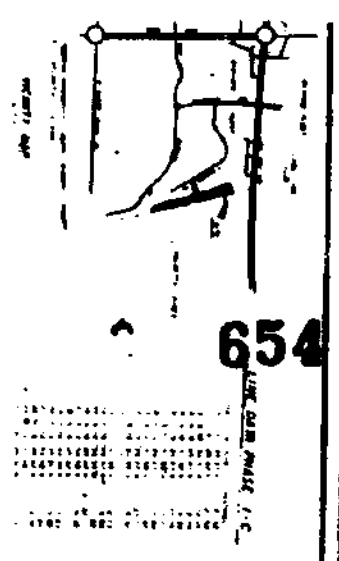
EXHIBIT "2"

ALL that certain, piece, parcel and tract of land situate lying and being in Shipyard Plantation, Hilton Head Island, Beaufort County, South Carolina, containing approximately 1.04 acres, more or less, designated as Phase 1-C as more fully shown and described on a plat thereof dated December 16, 1986, as prepared by Jerry L. Richardson, S.C. R.L.S. #4784, said plat recorded in the Office of the Clerk of Court for Beaufort County, South Carolina in Plat Book 34 at Page 85.

SAID property is further shown and described as to metes and bounds as follows, to-wit:

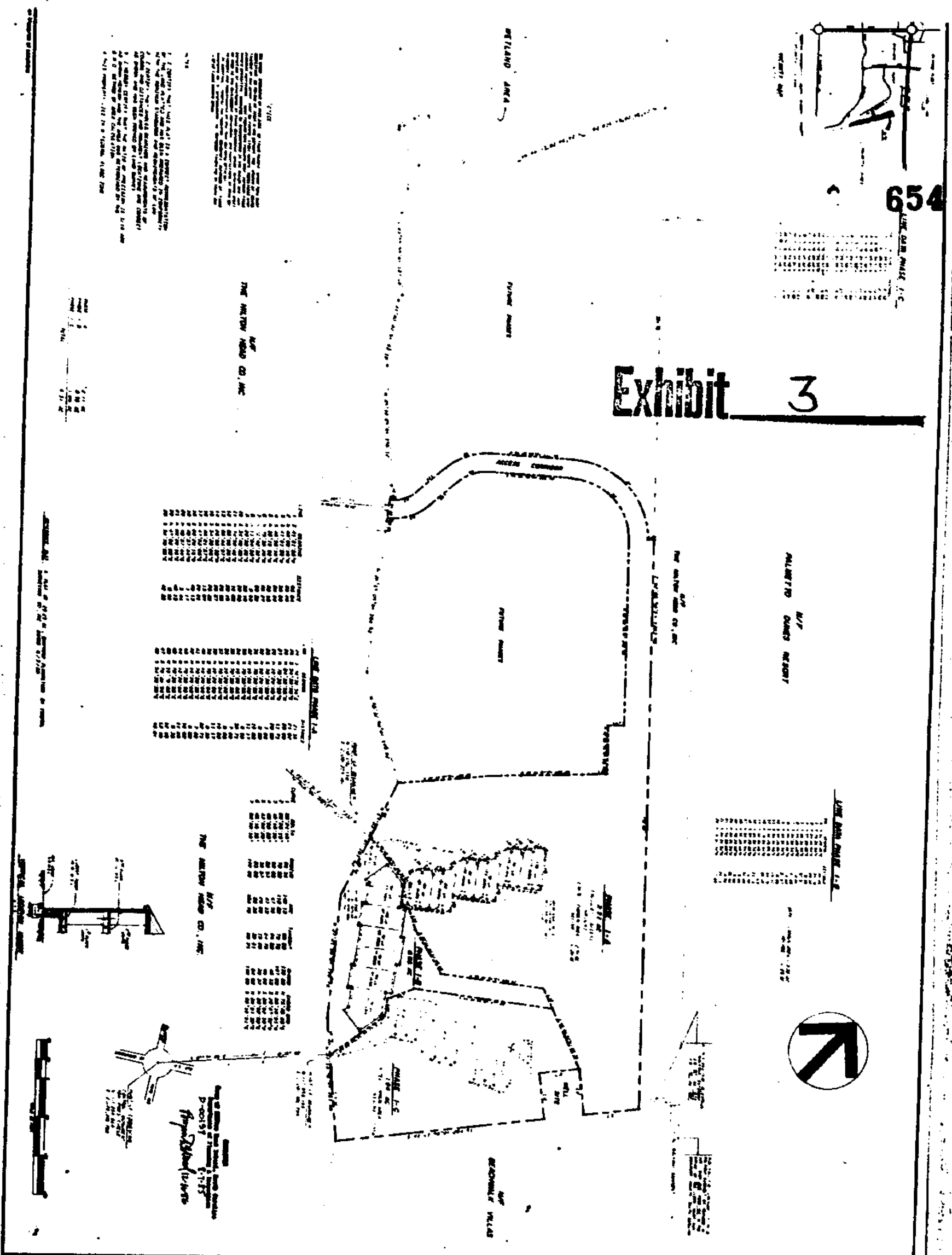
COMMENCING at a point in the center of the intersection of Pope Avenue and Sea Pines Circle, North 117,234.664, East 2,073,336.788; thence N 85°35'45" E for a distance of 8,067.83 feet to a point which is the true point of beginning; thence N 10°31'51" E for a distance of 83.04 feet to a point; thence N 34°28'09" W for a distance of 23.33 feet to a point; thence N 26°56'38" E for a distance of 36.67 feet to a point; thence N 55°31'51" E for a distance of 177.28 feet to a point; thence S 66°44'57" E for a distance of 115.09 feet to a point; thence S 41°01'50" N for a distance of 50.00 feet to a point; thence S 48°58'10" E for a distance of 60.00 feet to a point; thence S 41°01'50" W for a distance of 264.51 feet to a point; thence N 47°13'50" W for a distance of 113.34 feet to a point, said point being the true POINT OF BEGINNING.

CLND:EX.2
(12/16/86-kg)



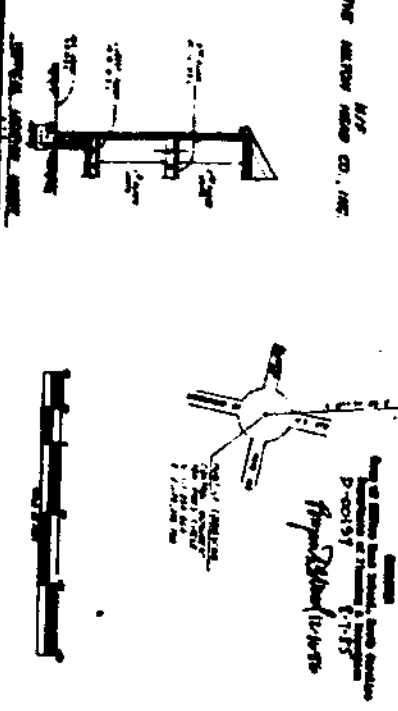
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Exhibit 3



THE ARDEN MANOR CO., INC. is a general partnership of the following persons: ...

DATE: 1/1/75
BY: [Signature]



RECORDED IN THE OFFICE OF THE CLERK OF COURT IN THE COUNTY OF ...

DATE: 1/1/75
BY: [Signature]

THE ARDEN MANOR CO., INC.

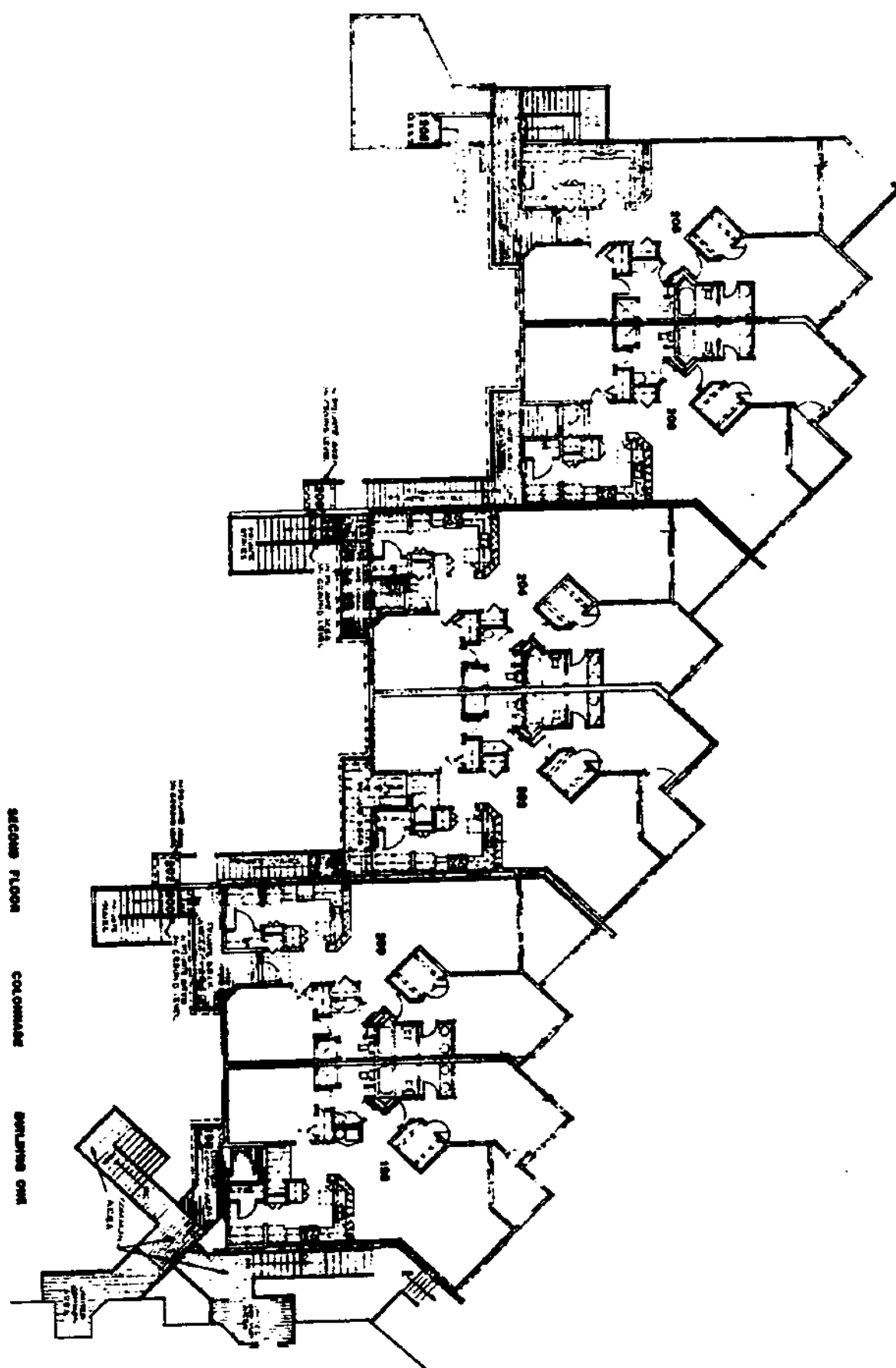


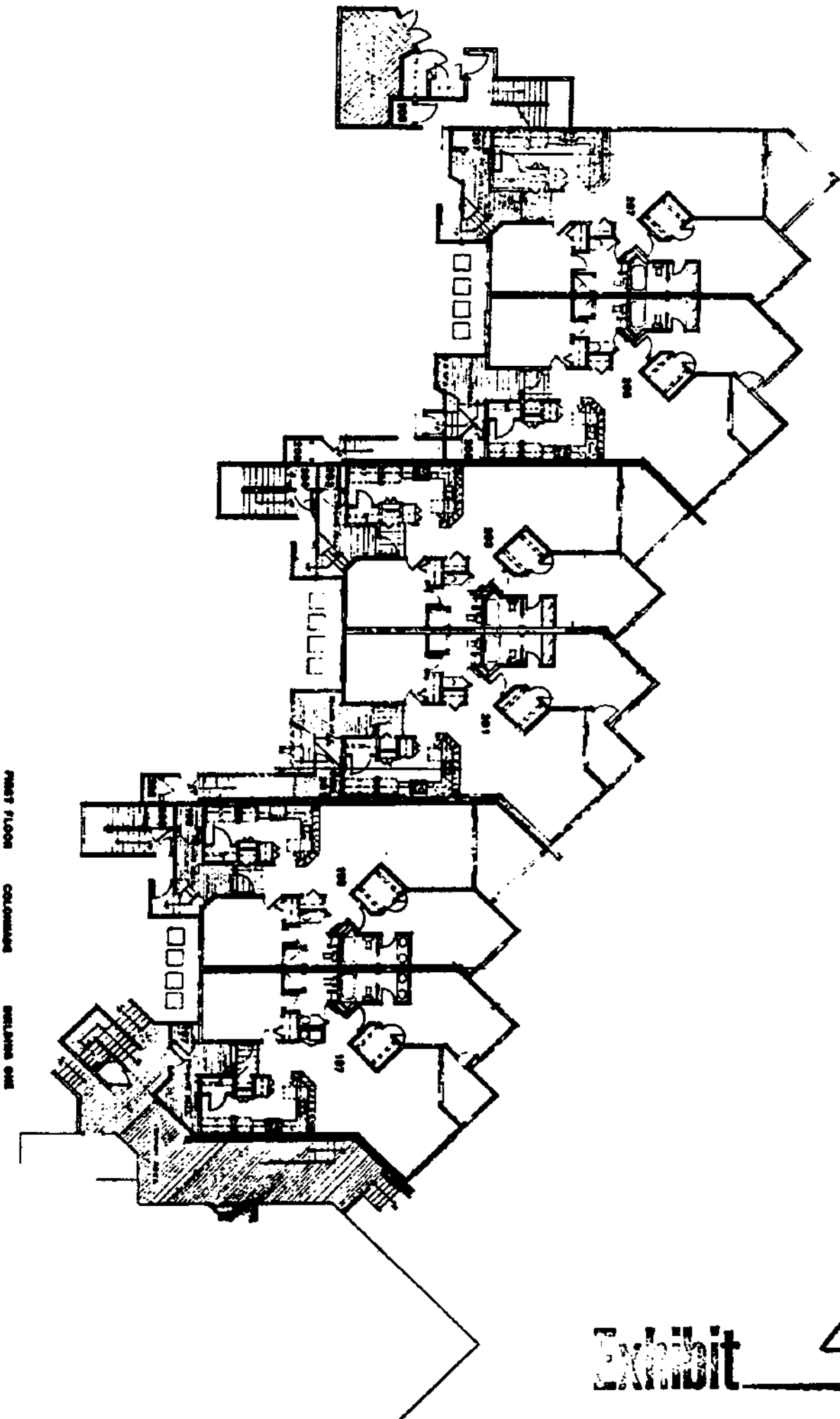
Exhibit 4



| | |
|--|--|
| | |
| | |
| | |

Firebee
Walters
Wisconsin

656

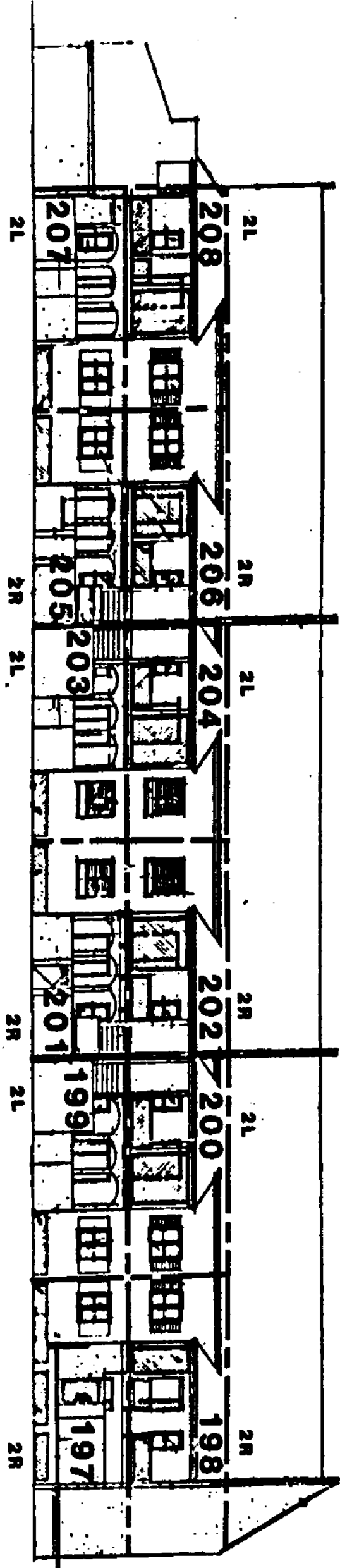


FIRST FLOOR CORRIDORS ENTRANCE SIDE



Exhibit 4

| | | | | | |
|--|--|--|--|--------------------|--|
| | | | | Fleming Walters | |
|--|--|--|--|--------------------|--|



COLONNADE BUILDING ONE

Exhibit 4

Exhibit 5

**REVISED EXHIBIT G
SCHEDULE OF ASSIGNED VALUES AND PERCENTAGE INTERESTS
COLONNADE CLUB HORIZONTAL PROPERTY REGIME
(REVISED FOR PHASE I-C)**

SCHEDULE OF ASSIGNED VALUES AND PERCENTAGE INTERESTS

659

| <u>Unit No.</u> | <u>Unit Type</u> | <u>Assigned Value</u> | <u>Percentage Interests</u> |
|-----------------|------------------|-----------------------|-----------------------------|
| 173 | 2 BR WL DN | \$125,000 | 2.6824 |
| 174 | 2 BR WL UP | \$125,000 | 2.6824 |
| 175 | 2 BR WR DN | \$125,000 | 2.6824 |
| 176 | 2 BR WR UP | \$125,000 | 2.6824 |
| 177 | 2 BR WL DN | \$125,000 | 2.6824 |
| 178 | 2 BR WL UP | \$125,000 | 2.6824 |
| 179 | 2 BR WR DN | \$125,000 | 2.6824 |
| 180 | 2 BR WR UP | \$125,000 | 2.6824 |
| 181 | 2 BR WL DN | \$125,000 | 2.6824 |
| 182 | 2 BR WL UP | \$125,000 | 2.6824 |
| 183 | 2 BR WR DN | \$125,000 | 2.6824 |
| 184 | 2 BR WR UP | \$125,000 | 2.6824 |
| 185 | 3 BR SL DN | \$165,000 | 3.5408 |
| 186 | 3 BR SL UP | \$165,000 | 3.5408 |
| 187 | 2 BR SR DN | \$125,000 | 2.6824 |
| 188 | 2 BR SR UP | \$125,000 | 2.6824 |
| 189 | 2 BR SL DN | \$125,000 | 2.6824 |
| 190 | 2 BR SL UP | \$125,000 | 2.6824 |
| 191 | 2 BR SR DN | \$125,000 | 2.6824 |
| 192 | 2 BR SR UP | \$125,000 | 2.6824 |
| 193 | 2 BR SL DN | \$125,000 | 2.6824 |
| 194 | 2 BR SL UP | \$125,000 | 2.6824 |
| 195 | 3 BR SR DN | \$165,000 | 3.5408 |
| 196 | 3 BR SR UP | \$165,000 | 3.5408 |
| 197 | 2 BR EL DN | \$125,000 | 2.6824 |
| 198 | 2 BR EL UP | \$125,000 | 2.6824 |
| 199 | 2 BR ER DN | \$125,000 | 2.6824 |
| 200 | 2 BR ER UP | \$125,000 | 2.6824 |
| 201 | 2 BR EL DN | \$125,000 | 2.6824 |
| 202 | 2 BR EL UP | \$125,000 | 2.6824 |
| 203 | 2 BR ER DN | \$125,000 | 2.6824 |
| 204 | 2 BR ER UP | \$125,000 | 2.6824 |
| 205 | 2 BR EL DN | \$125,000 | 2.6824 |
| 206 | 2 BR EL UP | \$125,000 | 2.6824 |
| 207 | 2 BR ER DN | \$125,000 | 2.6824 |
| 208 | 2 BR ER UP | \$125,000 | 2.6824 |
| 36 Units | | \$4,660,000 | 100.0000% |

"W" represents the western Building, "S" represents the southern Building and "E" represents the Eastern Building of the three Buildings which are being built in Phases 1-A, 1-B, and 1-C. "L" and "R" represent the two basic floor plans which are approximate mirror images of each other.

In the event that the Developer elects to expand the Regime as provided in Article XIII of the Master Deed, all Units added to the Regime shall have the following Assigned Values:

| <u>Possible Unit Description</u> | <u>Assigned Values</u> |
|----------------------------------|------------------------|
| 1 BR Unit | \$105,000 |
| 2 BR Unit | \$125,000 |
| 3 BR Unit | \$165,000 |
| 4 BR Unit | \$185,000 |

The Percentage Interest appurtenant to each Unit of the Regime shall thereafter be established in accordance with the following formula:

$$\frac{V}{E + A} = P$$

- P = Percentage Interest of each Unit
- V = Assigned Value of such Unit as set forth in this Exhibit G
- A = Aggregate Assigned Value of all Units added to the Regime as provided in Article XIII of the Master Deed
- E = Aggregate Assigned Value of existing Units in Regime

The following charts indicate the Percentage Interests which would result from the addition of three Buildings and six Buildings, respectively, if the Project is expanded as contemplated by the Developer:

SIX BUILDINGS

| <u>No. of Units</u> | <u>Unit Type</u> | <u>Assigned Value</u> | <u>Percentage Interest</u> |
|---------------------|------------------|-----------------------|----------------------------|
| 8 | 3 BR | \$165,000 | 1.7704 |
| 64 | 2 BR | \$125,000 | 1.3412 |

NINE BUILDINGS

| <u>No. of Units</u> | <u>Unit Type</u> | <u>Assigned Value</u> | <u>Percentage Interest</u> |
|---------------------|------------------|-----------------------|----------------------------|
| 12 | 3 BR | \$165,000 | 1.1803 |
| 96 | 2 BR | \$125,000 | 0.8941 |

NOTE: THE EXACT ADJUSTMENT OF PERCENTAGE INTERESTS IS NOT SUBJECT TO CALCULATION UNTIL THE EXACT NUMBER AND SIZE OF ALL UNITS TO BE ADDED TO THE REGIME HAS BEEN ESTABLISHED BY THE DEVELOPER IN THE EXERCISE OF ITS SOLE DISCRETION.


EXHIBIT "6"

EXHIBIT "6" TO MASTER DEED OF COLONNADE CLUB
HORIZONTAL PROPERTY REGIME


ARCHITECT'S CERTIFICATE

Pursuant to S. C. Code Ann. Section 27-31-110 (1976), upon my information and belief, I certify that the Regime Plans represented in the attached Exhibits "3" and "4" of Colonnade Club Horizontal Property Regime, consisting of the Phase I-C units (situated upon real estate described in the attached Exhibit "2"), depict (within reasonable construction tolerances), the layout, location, number identification and dimension of the buildings and improvements contained in Phase I-C of the Regime, except for minor variations which are customary in projects of this nature, said Plans being dated December 9, 1986.

FEREBEE, WALTERS & ASSOCIATES, P.A.

By: 
JAMES Y. ROBINSON, JR.

SWORN to and SUBSCRIBED before me on
this 11th day of December, 1986.


Notary Public for South Carolina
My Commission Expires: _____

JAMES D. SCHEIDER, JR.
CLND: ARCH2-1
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires November 25, 1991

Law Offices of
Jones, Scheider &
Patterson, P.A.
Hilton Head Island, S.C.

Exhibit 7

662

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

CONSENT AND JOINDER OF MORTGAGEE

WHEREAS, FIRST AMERICAN SAVINGS & LOAN ASSOCIATION, a Virginia Banking Institution, (hereinafter "Mortgagee") is the owner and holder of a construction and acquisition loan mortgage upon certain real property located on Hilton head Island, South Carolina, described on Exhibit "2" to the First Expansion Amendment to Master Deed of Colonnade Club Horizontal Property Regime, said property being now known and described as the Phase I real property; and

WHEREAS, said construction and acquisition loan documentation is evidenced by a mortgage in the original principal sum of SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000.00) said mortgage dated August 28, 1985, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Mortgage Book 345 at Page 1466.

NOW, KNOW ALL MEN BY THESE PRESENTS, that FIRST AMERICAN SAVINGS & LOAN ASSOCIATION, joins in the foregoing First Expansion Amendment to Master Deed of Colonnade Club Horizontal Property Regime and the provisions of the Horizontal Property Act of South Carolina for the sole purpose of consenting to the addition of Phase 1-C of the Colonnade Club Horizontal Property Regime on a portion of the property upon which it has a lien; the Mortgagee makes no representations or warranties as to the validity of the documents creating the Regime nor the development and physical construction of the Regime itself; the Mortgagee agrees that the lien of said mortgage on that portion of the property hereinbefore set out shall hereafter be upon the following described property on Hilton Head Island, Beaufort County, South Carolina:

All those certain Units of Colonnade Club Horizontal Property Regime, Phase 1-C, a condominium regime according to the foregoing First Expansion Amendment to Master Deed thereof to which this Joinder is attached, together with all of the undivided shares in the common elements appertaining to the following described Unit Numbers: 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207 and 208, inclusive.

Law Offices of
Jones, Schelder &
Patterson, P.A.
Hilton Head Island, S.C.

This Consent and Joinder of Mortgagee shall in no way affect or diminish the lien of the existing mortgage on the remaining portions of the property described in the aforementioned mortgage.

IN WITNESS WHEREOF, the undersigned has executed this Consent and Joinder this 12th day of December, 1986.

WITNESSES:

AMERIBANC SAVINGS BANK,
formerly known as
FIRST AMERICAN SAVINGS & LOAN
ASSOCIATION

By: (1) Phyllis P. Nash
Vice President
Attest: John B. Ellinger
Vice President

(2) Margaret Zinna
(3) John B. Ellinger

STATE OF VIRGINIA)
COUNTY OF FAIRFAX)

PROBATE

PERSONALLY appeared before me the above witness who, on oath, says that s/he saw the within named FIRST AMERICAN SAVINGS & LOAN ASSOCIATION, by (6) Phyllis P. Nash its Vice President, sign the within Consent and Joinder of Mortgagee, and (7) Mary Dee Clancy its Vice President, attest the same, and the said Corporation, by said officers, seal said Instrument, and, as its act and deed, deliver the same, and that s/he with the other witness witnessed the execution thereof.

(4) Margaret Zinna

SWORN to before me this 12th day of December, 1986.

(5) John B. Ellinger
Notary Public for Virginia
My Commission Expires: April 28, 1990

CLND: CONSENT

EXHIBIT 8

664

STATE OF SOUTH CAROLINA)
COUNTY OF BEAUFORT)

OWNER'S AND CONTRACTOR'S AFFIDAVIT

On this 1st day of December, 1986, before me personally appeared WILLIAM C. PALMER, JR., Managing General Partner of RAPALM INVESTMENT COMPANY, A South Carolina General Partnership, owner of property, and CHARLES R. HASTIE, President of CHARLES R. HASTIE CONSTRUCTION COMPANY, INC., General Contractor, to me personally known, who being duly sworn on their oaths, did say that they are the owner of the property hereafter described and the General Contractor in connection with the construction or repair of the improvements located on said property as indicated above (if the work "None" appears in the above space preceding "General Contractor", owner stated that said construction or repair was made under his own supervision, no general contractor having been employed) and that all of the persons, firms and corporations, except those whose names, if any, appear on the Waiver of Liens attached hereto, including the General Contractor and all sub-contractors, who have furnished services, labor, or materials, according to plans and specifications, or extra items, used in the construction or repair of such improvements, have been paid in full, that there are no mechanics' or materialmen's liens against said property and no claims outstanding which would entitle the holder thereof to claim a lien against the property (except those claims, if any, which are waived by the Waiver of Liens attached hereto) and that such construction or repair has been fully completed and accepted by the owner. General Contractor hereby waives and releases his right to file a mechanics' or materialmen's lien against said property; and

Further, that there are no financing statements, chattel mortgages, conditional bills of sale or retention of title agreements affecting any fixtures or any cabinets, mantles, awnings, doors or windows or screens therefor or any plumbing, lighting, heating, cooking, refrigerating, ventilating or air-conditioning equipment or apparatus used separately or in combination as packaged units or installations in connection with the improvements on the property, and

That this affidavit is made for the purpose of inducing LAWYER'S TITLE INSURANCE CORPORATION to issue its policy or policies insuring the title to said property without exception or or providing insurance against, loss or damage on account of any claims of mechanics, materialmen and laborers, and said affiants do hereby jointly and severally agree to indemnify and hold LAWYER'S TITLE INSURANCE CORPORATION harmless of and from any and all loss, cost, damage and expense of every kind, including Attorneys fees, which said LAWYER'S TITLE INSURANCE CORPORATION shall or may suffer or incur or become liable for under its said policy or policies directly or indirectly, out of such improvements, repairs or other construction on the property hereafter described or on account of any such mechanics' or materialmen's lien or liens or claim or claims, or in connection with its enforcement of its rights under this agreement.

Law Offices of
Jones, Scheider &
Patterson, P.A.
Hilton Head Island, S.C.

The real estate and improvements referred to herein are situated in the County of Beaufort, State of South Carolina, and are briefly described as:

Phase 1-C, Colonnade Club Horizontal Property Regime, Unit Numbers 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, and 208, inclusive.

WITNESSES:

Judy T. Hope
[Signature]

OWNER OF PROPERTY:
RAPALM INVESTMENT COMPANY,
a South Carolina General Partnership

By: William C. Palmer, Jr.
William C. Palmer, Jr.
Managing General Partner

GENERAL CONTRACTOR:
CHARLES R. HASTIE CONSTRUCTION
COMPANY, INC.

By: Charles R. Hastie
Charles R. Hastie, President

Attest: Judy T. Hope

Executed, subscribed, and sworn to before me the day and year first above written.

[Signature]
Notary Public for SC
My Commission Expires: _____

CLND: OWN 12/5/86
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires November 25, 1991

8184P
FILED AT BEAUFORT COUNTY S. C. RECORDED IN BOOK 416 PAGE 646
11-04 O'CLOCK DEC 18, 1986
a m

S. L. Floyd Dalton, RMC

RECORDED THIS 13th DAY
OF January 1987
IN BOOK 08 PAGE 908

FEE, \$ _____
[Signature]
AUDITOR, BEAUFORT COUNTY, S. C.