

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This Report is prepared and issued by the developer of this subdivision. It is not prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report prior to signing a contract or agreement, you may cancel your contract or agreement by giving notice to the Seller any time before midnight of the seventh (7th) day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement at any time within two (2) years from the date of the signing.

NAME OF SUBDIVISION: SOUTH ISLAND PLANTATION
NAME OF DEVELOPER: WINYAH BAY HOLDINGS, LLC
DATE OF THIS REPORT: FEB 10 2006

TABLE OF CONTENTS

Page Number

<u>RISKS OF BUYING LAND</u>	3
<u>GENERAL INFORMATION</u>	4
<u>TITLE TO THE PROPERTY AND LAND USE</u>	5
METHOD OF SALE	5
ENCUMBRANCES, MORTGAGES, AND LIENS	5
RECORDING THE CONTRACT AND DEED	6
PAYMENTS	6
RESTRICTIONS ON THE USE OF YOUR LOT	7
PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT	8
<u>ROADS</u>	11
ACCESS TO THE SUBDIVISION	11
ACCESS WITHIN THE SUBDIVISION	11
<u>UTILITIES</u>	13
WATER	13
SEWER	14
ELECTRICITY	15
TELEPHONE SERVICE	15
FUEL AND OTHER ENERGY SOURCES	16
<u>FINANCIAL INFORMATION</u>	17
<u>LOCAL SERVICES</u>	18
<u>RECREATIONAL FACILITIES</u>	19
<u>SUBDIVISION CHARACTERISTICS AND CLIMATE</u>	20
GENERAL TOPOGRAPHY	20
WATER COVERAGE	20
DRAINAGE AND FILL	21
FLOOD PLAIN	21
FLOODING AND SOIL EROSION	21
NUISANCES	21
HAZARDS	22
CLIMATE	22
OCCUPANCY	22

TABLE OF CONTENTS

Page Number

<u>ADDITIONAL INFORMATION</u>	23
THE PROPERTY OWNERS ASSOCIATION	23
TAXES	24
RESALE OR EXCHANGE PROGRAM	24
EQUAL OPPORTUNITY IN LOTS SALES	25
LOT LISTING	25
<u>COST SHEET</u>	26
<u>RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE</u>	27

Note: In this Property Report, the words "you" and "your" refer to the buyer. The words "we", "us" and "our" refer to the developer.

RISKS OF BUYING LAND

The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program and local real estate brokers may not be interested in listing your lot.

Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend upon the location, size, planning and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

In the purchase of real estate, many technical requirements must be met to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

-WARNINGS-

THROUGHOUT THIS PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This Report covers 91 lots located in Georgetown County, South Carolina. See Page 25 for a listing of these lots. Additional lots will be offered for this development. It is estimated that this subdivision will eventually contain 192 lots.

The developer of this subdivision is:

Winyah Bay Holdings, LLC
1100-C South Stratford Road, Suite 102
Winston-Salem, North Carolina 27103

Telephone Number: 336-722-2236

Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use and enjoy the property. A contract to buy a lot may give you possession but doesn't give you legal title. You won't have legal title until you receive a valid deed. A restriction or an encumbrance on your lot, or on the subdivision, could adversely affect your title.

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording and title insurance.

METHOD OF SALE

Sales Contract and Delivery of Deed

All sales will be for cash. You will sign a contract of sale but will not sign an installment contract. As a cash purchaser you will be required to make a minimum down payment (earnest money deposit) of Ten percent (10%) of the purchase price, with the remainder due at the time of closing. We will deliver to you a general warranty deed within 180 days following the signing of the contract of sale by you.

The developer may arrange lot financing with one or more banks and may offer to pay the first year's interest to purchasers in exchange for closing without delay.

Mortgage loans may also be available to you through local banks if you meet their credit requirements. You should consult with one or more of the local banks if mortgage financing is desired. We do not represent that such financing is now or will in the future be available.

Type of Deed

The transfer of legal title will be accomplished by a general warranty deed, free and clear of all liens and encumbrances, and subject to those restrictions, covenants, reservations and easements of record at the time of closing.

ENCUMBRANCES, MORTGAGES AND LIENS

There are no mortgages on the lots included in this offering.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Under South Carolina law, the recording of your sales contract or deed protects you from our subsequent creditors obtaining your lot, absent your default on your purchase obligations. However, your sales contract will not be recordable as the form for execution and witnessing the contract does not meet the recording requirements of South Carolina law. It is not the local custom to record sales contracts.

UNLESS YOUR CONTRACT OR DEED IS RECORDED YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASERS OR SUBSEQUENT CREDITORS OF ANYONE HAVING AN INTEREST IN THE LAND.

You will be responsible for the recording of the general warranty deed at your expense.

Title Insurance

We will deliver to you, at your cost, a title insurance policy from a title insurance company of your choice which will describe the rights of ownership which are being acquired in the lot. We recommend that you have an attorney or other appropriate professional interpret the policy.

PAYMENTS

Escrow

Your earnest money deposit will be placed in a third party controlled escrow account with Jack M. Scoville, Jr., Esquire, whose address is 602 Prince Street Georgetown, SC 29440.

Prepayment

All sales will be cash to the developer. You will be responsible for obtaining financing for all or a portion of the purchase price if you desire it. Therefore, any prepayment penalty or privileges in connection with your account will depend upon the terms and conditions of the note and mortgage required by the lender, if you finance any portion of the purchase price through a bank.

Default

If you default prior to transfer of title, we will, at our election, retain all down payments or earnest money deposits as agreed liquidated damages.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

A Declaration of Covenants, Easements and Restrictions for South Island Plantation has been recorded in the Office of the Register of Deeds for Georgetown County, South Carolina, corner of Screven and Prince Streets, Georgetown, South Carolina 29442. In addition, all lots are subject to the Articles of Incorporation and Bylaws of South Island Plantation Association, Inc. and Design Guidelines for South Island Plantation (collectively, the "Community Documents").

A complete copy of these documents is available upon request. The provisions of certain restrictions will be discussed in the paragraphs below. However, this discussion will only highlight certain areas of the restrictions and should not be a substitute for a careful study of the document by you. You should seek the assistance of counsel if deemed necessary.

The restrictions provide for our right, through an Architectural Review Board established and controlled by us, to approve (or disapprove) architectural plans for any house or lot improvements to be constructed on your lot, including clearing and grading, construction of houses, outbuildings, pools, fences or walls, landscaping and irrigation, repainting or restaining, and the construction and reconstruction of any boardwalks, walkways, bulkheads and docks on any contiguous waterway. (See additional restrictions under "Easements" and "Permits" below). This blanket authority extends to purely aesthetic considerations, such as the exterior color of the residence.

The Board will generally require all residences to be set back at least ten feet (10') from the side, twenty-five feet (25') from the front and fifteen feet (15') from the back lot lines. Normally, it is required that the exterior of the residence be completed within one year of commencement of construction. You may not temporarily or permanently occupy your residence until the exterior has been completed. All plans for service yards and fences must be approved by the Review Board prior to construction.

No commercial sign, such as "for rent" or "for sale" may be placed on any lot, except with written permission from the Review Board. Only domestic house pets may be kept or maintained on lots and must be under leash at all times when walked or exercised in the common areas.

You must provide adequate off-the-street automobile parking for each residence prior to occupancy and in accordance with reasonable standards established by the Review Board. On-the-street parking is permitted. No trailer, recreational vehicle, utility trailer, tent, barn, tree house or other similar outbuilding or structure may be placed on your lot except in accordance with reasonable standards established by the Review Board, including standards of adequate screening from view.

The restrictions provide that we, the Board of Directors of the South Island Plantation Association, Inc., or any aggrieved property owner can institute judicial proceedings against you to enforce the provisions of these restrictions.

The initial term of the restrictions is 25 years. These restrictions are subject to amendment in accordance with their terms and such amendments may be adopted without your consent.

Easements

The subdivision is not subject to any type of flood control or flowage easement or other easements which may have an effect on the purchaser's building or lot use plans. There are drainage easements and utility easements which affect all lots and there may be other easements contained in the restrictive covenants. These do not have an effect on the purchaser's ability to construct a residence on the lot.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

All lots in this filing have been given conditional approval by City of Georgetown and may be legally conveyed. The conditional approval does not affect your legal title. Under the conditional approval, sales are permitted under bonding and surety provisions for the installation of roads, drainage, water and sewer systems. These facilities will not be available to these lots until the dates indicated in this Property Report. An occupancy permit cannot be granted until final approval of the plat has been granted. The plat maps for all of the lots in this offering are recorded in the Office of the Register of Deeds, Georgetown County, Georgetown County Courthouse, corner of Screven and Prince Streets, Georgetown, South Carolina 29442. The description of the lots given in this Report is legally adequate for conveyance of land in this jurisdiction.

LOCAL AUTHORITIES HAVE ONLY CONDITIONALLY APPROVED THE PLATS FOR PHASES 1 AND 2 IN THIS OFFERING. BEFORE THE LOCAL REGULATORY AUTHORITIES GRANT FINAL APPROVAL TO THE PLATS, IT MAY REQUIRE SIGNIFICANT ALTERATIONS AND THEY MAY NOT ALLOW THE LAND TO BE USED FOR THE PURPOSE FOR WHICH IT IS BEING SOLD. AN OCCUPANCY PERMIT CANNOT BE GRANTED UNTIL FINAL APPROVAL OF THE PLATS HAS BEEN GRANTED.

Zoning

Both the City of Georgetown zoning and the recorded covenants restrict the use of these lots to single family residential.

Surveying

All lots which have been platted of record and are offered for sale have been properly marked with corner stakes so that you can easily identify your lot. Each individual lot will be staked and marked prior to your taking title, at our expense. After utilities are completed, concrete monuments or iron pins will be installed at our expense to further identify the lot.

Permits

Before your licensed building contractor can commence construction of a residence on your lot, you must obtain a building permit from our Architectural Review Board at our Administrative Office, c/o William E. Hollan, Jr., 1100-C South Stratford Road, Suite 102, Winston-Salem, North Carolina 27103, and from the Georgetown City Planning and Building Department located at 120 S. Fraser Street, Georgetown, South Carolina 29442.

Architectural Review Board fees are as follows: A one-time Road Impact fee of \$1,000.00 payable to South Island Plantation Association, Inc. prior to commencement of construction of a new home. A Design Review fee is required at the time plans are submitted for approval. The amount of the fee is based upon value of construction and ranges from \$100.00 for proposed improvements costing under \$5,000.00 to \$1,500.00 for proposed improvements costing more than \$1,000,000.00. For a typical home costing between \$101,000.00 and \$500,000.00, the fee is \$750. A Construction Compliance fee will also be due when plans are submitted for approval by the Architectural Review Board. This deposit is held in escrow, in a non-interest bearing account, to pay for costs, if any, to the Association to repair damages caused during the construction process, to assure completion in substantial compliance with approved plans, and to cover the other

costs associated with non-compliance during the construction process. Unless required for above purposes, this fee is refundable upon completion of improvements. The Construction Compliance fees vary based upon the cost of the proposed construction. For a typical home costing between \$250,001.00 and \$500,000.00, the fee is \$8,000.00.

There is a charge for the building permit required by the City of Georgetown which is as follows: For a valuation of \$100,001.00 up to and including \$500,000.00, the fee will be \$460.00 for the first \$100,000.00 plus \$3.00 for each additional thousand or fraction thereof. For a valuation of \$500,001.00 and up the fee will be \$1,660.00 for the first \$500,000.00 plus \$2.00 for each additional thousand or fraction thereof.

The City of Georgetown collects an impact fee for fire protection at the time a building permit is issued for construction. For single family residential buildings, the impact fee is equal to four-tenths of one per cent (0.004) of the construction costs of the building. For example, for a \$200,000 building, the impact fee would be \$800.00.

Environment

No environmental impact study has been prepared. No determination has been made as to the possible adverse effects the subdivision may have upon the environment and surrounding area.

ROADS

This section discusses the roads that lead to the subdivision, those within the subdivision and the location of nearby communities.

ACCESS TO THE SUBDIVISION

The subdivision is accessible by South Carolina Highway 18 (South Island Road), a two-lane asphalt paved road of approximately 32' overall width of wearing surface. The access road is a public road which is maintained by the State of South Carolina. To our knowledge, no improvements are planned for this road.

ACCESS WITHIN THE SUBDIVISION

All roads in the subdivision will be two lane asphalt private roads. Following substantial completion of the roads, the South Island Plantation Association, Inc. shall be responsible for maintenance and repair of any such roads. See the chart below for road construction schedule.

We are responsible for the construction of all interior roads. No portion of the construction costs will be borne by you. Letters of Credit to ensure the completion of those roads covered by conditional plats have been placed with the City of Georgetown.

<u>Section</u>	<u>Estimated Starting Date month/year)</u>	<u>% of Construction Now Complete</u>	<u>Estimated Completion Date (month/year)</u>	<u>Present Surface</u>	<u>Final Surface</u>
Phase 1 (1 lot)	1/06	1%	7/06	Dirt	Asphalt
Phase 2 (90 lots)	2/06	0%	1/07	Dirt	Asphalt

The following table identifies the distance (in miles) from the center of the subdivision to nearby communities.

NEARBY COMMUNITIES	POPULATION	DISTANCE OVER PAVED ROADS	DISTANCE OVER UNPAVED ROADS	TOTAL
* Georgetown, SC	12,000	2	0	2
Charleston, SC	77,000	60	0	60
Columbia, SC	150,000	140	0	140
Myrtle Beach, SC	30,000	30	0	30

*County Seat

UTILITIES

Here we will discuss the availability and cost of basic utilities. The areas covered will be water, sewer, electricity, telephone and fuel or other energy sources.

WATER

Water is supplied to the individual lots by a central water system. The supplier of water is City of Georgetown Water Utilities Department, 2377 Maybank Drive, Georgetown, SC 29440, which is a governmental agency, regulated by the South Carolina Public Service Commission, which has indicated it can serve the anticipated population of the subdivision. This entity is responsible for the operation and maintenance of the system. We are responsible for the construction of the system. Letters of Credit to ensure the completion of the water system covered by conditional plats have been placed with the City of Georgetown.

Water lines will be extended in front of or adjacent to all lots in this offering.

The water has been tested for purity and chemical content and meets the standards for a public water supply.

See the chart below for the water system construction schedule.

<u>Section</u>	<u>Estimated Starting Date month/year)</u>	<u>Percentage of Construction Now Complete</u>	<u>Estimated Completion Date (month/year)</u>
Phase 1 (1 lot)	2/06	0%	7/06
Phase 2 (90 lots)	3/06	0%	1/07

THERE IS NO FINANCIAL ASSURANCE FOR ANY FUTURE EXPANSION OF THE CENTRAL WATER SYSTEM BEYOND WHAT IS NECESSARY TO SERVE THE LOTS IN THIS FILING.

There will be no cost to you for installation or construction of the central water system. There will be a tap-in fee to the main, currently in the amount of \$700.00 for a 3/4 inch meter or \$800 for 1 inch meter. There is no availability or standby fee for water prior to a dwelling unit being constructed on the lot. There is no security deposit required

of lot owners. (Non-owners are required to pay a \$40.00 security deposit to the District.) Monthly user fees after construction and connection to the system will be \$9.35 plus excess charges of \$1.89 per 1,000 gallons. In addition, there is a one-time service fee of \$33.33 (part of a total fee of \$100 for water, sewer and electrical service). These rates and charges for water are current charges and are subject to increases.

You are required to use the water service provided by Georgetown City Water & Sewer District for your potable water and you may not use any alternate sources of water.

SEWER

This subdivision will have a central sewerage system. All lot owners will be users of the system. The entity responsible for the operation and maintenance of the sewer system is City of Georgetown Water Utilities Department, 2377 Maybank Drive, Georgetown, SC 29440, which is a governmental agency, regulated by the South Carolina Public Service Commission, which has indicated it can serve the anticipated population of the subdivision. We are responsible for construction of all the sewer collection lines and City of Georgetown is responsible for construction of the pump station and force main.

There will be no cost to you for installation or construction of the sewer system except for a tap-in fee of \$ 900.00. Letters of Credit to ensure the completion of the sewer system covered by conditional plats have been placed with the City of Georgetown.

Lot purchasers who have tapped to the sewer system are assessed a monthly charge of \$ 13.20 minimum plus \$2.15 per 1,000 gallons. There is no availability or standby fee for sewer prior to a dwelling being constructed. You will be required to tap into the sewer system prior to occupancy, at the then applicable tap-in fee. In addition, there is a one-time service fee of \$33.33 (part of a total fee of \$100 for water, sewer and electrical service). The rate and charges stated above for sewer are current charges and are subject to increases.

See the chart below for the sewer system construction schedule.

Section	Estimated Starting Date month/year)	Percentage of Construction Now Complete	Estimated Completion Date (month/year)
Phase 1 (1 lot)	3/06	0%	7/06
Phase 2 (90 lots)	3/06	0%	1/07

<p>THERE IS NO FINANCIAL ASSURANCE FOR ANY FUTURE EXPANSION OF THE CENTRAL SEWER SYSTEM BEYOND WHAT IS NECESSARY TO SERVE THE LOTS IN THIS FILING.</p>
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You may not install an individual system. Sewer service will not be available until the central sewer system is extended to the lots.

ELECTRICITY

The City of Georgetown Electric Utility Department, 800 Church Street, Georgetown, SC 29440, a municipal utility company, supplies electric service to the subdivision.

Primary service lines will be extended in front of, or adjacent to, each lot in this filing, as noted in the following chart.

<u>Section</u>	<u>Estimated Starting Date month/year</u>	<u>Percentage of Construction Now Complete</u>	<u>Estimated Completion Date (month/year)</u>
Phase 1 (1 lot)	3/06	0%	7/06
Phase 2 (90 lots)	4/06	0%	1/07

The City of Georgetown Electric Utility Department will provide service to the lots at no charge to you for the construction costs of extending service. The installation of customer service is under the control of the electric company and not us. Since the developer is not responsible for providing electric service to your lot, we can give no assurance it will be available to your lot. Service is normally provided within four (4) business days after a request is made by a purchaser to The City of Georgetown Electric Utility Department once service is available to the lot. In addition, there is a one-time service fee of \$33.33 (part of a total fee of \$100 for water, sewer and electrical service).

TELEPHONE SERVICE

Verizon Communications, 1113 Front Street, Georgetown, SC 29440, a public utility company, supplies telephone service to the subdivision. Telephone service lines will be extended in front of, or adjacent to, all lot in this filing, as noted in the following chart.

<u>Section</u>	<u>Estimated Starting Date month/year)</u>	<u>Percentage of Construction Now Complete</u>	<u>Estimated Completion Date (month/year)</u>
Phase 1 (1 lot)	3/06	0%	7/06
Phase 2 (90 lots)	4/06	0%	1/07

You will not be responsible for any of the construction costs incurred to extend telephone service to your lot. All of these costs will be paid by Verizon Communications. The installation of customer service is under the control of the telephone company and not us. Service will generally be available within four (4) business days upon request by a purchaser to Verizon Communications once service is available to the lot.

FUEL AND OTHER ENERGY SOURCES

Propane gas is available in storage tanks from Amerigas, 1415 Highmarket Street, Georgetown, SC 29440. The typical installation cost (subject to adjustment for unusual circumstances) for a 100 gallon tank is \$403.20 for delivery, labor, initial 100 gallons of gas and first year's rent, rental of \$52.00 plus tax per year after the first year.

Stormwater Utility

The City of Georgetown Water Utility Department, 2377 Maybank Drive, Georgetown, SC 29440, operates a mandatory stormwater utility. The current monthly stormwater fee is \$3.00 per month which is added to the combined water, sewer and electricity bill from the City.

FINANCIAL INFORMATION

This section will address our financial information.

THE DEVELOPER IS A NEWLY FORMED ENTITY AND HAS NOT HAD ANY SIGNIFICANT OPERATING EXPERIENCE AND THIS MAY AFFECT OUR ABILITY TO COMPLETE PROPOSED IMPROVEMENTS AND AMENITIES AND FULFILL OUR FINANCIAL OBLIGATIONS.

A copy of our balance sheet and income statement as of November 30, 2005 is available from us upon request.

LOCAL SERVICES

In this topic, we will show the availability of fire and police protection and the location of schools, medical care and shopping facilities.

<u>MUNICIPAL SERVICES</u>	<u>LOCATION OF SERVICES</u>	<u>TYPE OF TRANSPORTATION TO SUBDIVISION</u>
1. Fire Protection (Available year-round)	Georgetown City Fire Dept. Georgetown, SC	None
2. Police Protection	Georgetown City Police Dept. Georgetown, SC	None
3. Elementary School	Georgetown, SC	School Bus Available
4. Junior High School	Georgetown, SC	School Bus Available
5. Senior High School	Georgetown, SC	School Bus Available
6. Hospital	Georgetown Memorial Hospital Georgetown, SC	Ambulance Service Provided by (EMS) Emergency Medical Service and Herbert's Ambulance Service
	Medical University Hospital Charleston, SC	"
7. Physician's Office	Georgetown and Charleston, SC	None
8. Dentist's Office	Georgetown and Charleston, SC	None
9. Shopping Facilities	Georgetown and Charleston, SC	None
10. Mail Service	Georgetown, SC	None
11. Public Transportation	N/A	No public transportation is available within the subdivision. Air and rail service is available in Charleston, SC approximately 60 miles from the subdivision and in Myrtle Beach, SC, approximately 30 miles from the subdivision.

RECREATIONAL FACILITIES

<u>Facility</u>	<u>% of Construction Now Complete</u>	<u>Estimated Start of Construction (month/year)</u>	<u>Estimated Date for Use (month/year)</u>	<u>Financial Assurance</u>	<u>Buyers Annual Cost or Assessments</u>
Owners Clubhouse & swimming pool complex	0%	5/2006	12/2006	None	\$1,800(vacant lots) \$2,700(improved lots)
Walking, jogging & cycling trails with gazebos	0%	5/2006	12/2006	None	\$1,800(vacant lots) \$2,700(improved lots)

Constructing The Facilities

These recreational facilities will be constructed by the developer.

Maintaining The Facilities

The developer will be responsible for the operation and maintenance of the recreational facilities until they are transferred to the South Island Plantation Association, Inc., who will then assume these responsibilities.

Transfer of The Facilities

The developer plans to convey the recreational facilities to the South Island Plantation Association, Inc. when the facilities are completed.

Who May Use The Facilities

Members of the South Island Plantation Association, Inc. and guests may use the facilities. There will be one membership per assessment paid annually. Each lot owner will be a member of the Association. Use of the facilities is subject to rules and charges determined by the Association from time to time in its sole discretion, including, but not limited to, use fees and special assessments. These facilities are not available to the general public.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section, we will discuss the basic terrain of the subdivision, its climate and any nuisances or hazards in this area.

GENERAL TOPOGRAPHY

The subdivision lies within Georgetown County, in the coastal plains area of South Carolina. The subdivision ranges from a relatively flat to a rolling landscape and contains some tidal marshes and small shallow basins typical of property in this area. Within the area of the subdivision elevations range from mean high-water (approximately three feet (3') above mean sea level) to an elevation of 25 feet (25') above mean sea level. These highest elevations are rather sparsely located and of minor acreage. The predominant elevation range is generally from about fifteen feet (15') to about twenty feet (20') above mean sea level. Currently, plans call for fifty-six percent (56%) of the subdivision to remain open space and forty-four percent (44%) to be developed.

Generally, the east side of the subdivision borders on Winyah Bay and its marshes, the south side borders on freshwater wetlands, the north side borders on Golf Drive and west side borders on South Island Road. The surface soils are basically of lakeland loamy fine sand.

There are no steep slopes, rock outcroppings, unstable or expansive soil conditions, etc., which will necessitate the use of special construction techniques to build on, or use any lot in the subdivision.

Vegetation in the subdivision is predominantly cordgrass in the marshy areas with other types of marsh vegetation in lesser amounts. Other vegetation includes wax myrtle, loblolly pines, magnolias, palmettos, live oaks and water oaks, and other hardwoods.

None of the lots in this subdivision have a slope of 20 percent, or more.

WATER COVERAGE

None of the lots are covered by water during most weather conditions. However, as this is a coastal region, heavy rains, storms and certain tidal conditions may cause any lot to have standing water on a temporary basis. Select fill dirt delivered and spread is available to lot owners at an estimated cost of \$192 for a 16 cubic yard load (\$12 per cubic yard).

DRAINAGE AND FILL

The typical lot will not need off-site fill. We anticipate that most homes will be constructed on raised pilings.

FLOOD PLAIN

The subdivision is located in a flood plain. All of Georgetown County has been designated as flood-prone by the Federal Insurance Administration. Flood insurance is available for property owners but costs vary depending upon the location, floor elevation and building zone. The estimated costs for flood insurance is currently \$317.00 per year for \$250,000.00 coverage for which you will be responsible. The maximum amount of flood insurance coverage available for improvements is \$250,000.00. You may wish to obtain further cost information from a local insurance agent. Federal law requires mandatory purchase of flood insurance for improvements on the lot as a prerequisite for all federally assisted mortgage financing in these designated flood hazard areas.

FLOODING AND SOIL EROSION

We have a program which provides at least minimum controls for soil erosion, sedimentation or periodic flooding throughout the developed portions of the subdivision. This flooding and soil erosion program includes measures such as: silt control procedures, including use of silt barriers/fences and sedimentation basins, construction and maintenance of storm water management system, and mulching, sodding and/or seeding of disturbed areas. The measures being taken may not be sufficient to prevent property damage or health safety hazard.

NUISANCES

At times lot owners may experience odors from various industries located in Georgetown, South Carolina, as well as from Santee Cooper Electric.

HAZARDS

There are no unusual safety factors which affect the subdivision. We are unaware of any construction, either public or private, which would constitute a safety hazard to the subdivision.

At times hurricanes and tropical storms approach the South Carolina coast from the Atlantic and could be a major threat to the subdivision. The most recent example was Hurricane Hugo in 1989. Georgetown County, being a wooded, rural, area also is subject to forest fires. Tornadoes are rare in the area of the subdivision.

The subdivision is located in the City of Georgetown which has an Insurance Service Office (ISO) rating of 4. The ratings range from 1 to 10 with 1 being the best rating. The Georgetown Fire Department currently serves the subdivision. Fire hydrants are located in the subdivision. Placement of other fire hydrants will occur as the central water lines are extended.

CLIMATE

The average temperatures for the warmest and coldest months of the year are contained in the following listing. Georgetown has an average of approximately thirty-five inches of rainfall a year and an average of approximately nine-tenths of an inch of snowfall a year.

<u>MONTH</u>	<u>HIGH</u>	<u>LOW</u>	<u>MEAN</u>
January	58	41	50
July	87	69	80

OCCUPANCY

There are no homes occupied either on a full-time or part-time basis as of the date of this report.

ADDITIONAL INFORMATION

In this heading, we will discuss the following areas:

1. The Property Owners Association
2. The Annual Real Estate Taxes
3. Resale or Exchange Program
4. Equal Opportunity in Lot Sales
5. Listing of Lots

THE PROPERTY OWNERS ASSOCIATION

South Island Plantation Association, Inc., the property owners association, has been incorporated in South Carolina as a non-profit corporation and is operating at present.

The By-Laws provide that the Developer shall control the Association until the earlier of (i) the date it has conveyed at least ninety (90%) per cent of the said Residential lots within the Property or (ii) the date it otherwise elects.

When you purchase a lot in the subdivision, you automatically become a member of the Association and remain a member as long as you own property in the subdivision. You will be required to make annual payments for the maintenance of recreational facilities and services within the subdivision commencing with the date you receive title to a lot. These payments will be made to the Association. The initial schedule of annual assessments beginning January 1, 2006, is \$1,800.00 for vacant lots and \$2,700.00 for improved lots. The amount of the annual assessment is subject to increase each year by the Association. The Association is also authorized to levy assessments against lots and the owners thereof to fund certain expenses of the Association and to file liens against lots to secure the obligation to pay such assessments.

Membership in the Association is mandatory for all owners of property within the subdivision.

The primary functions of the Association are to govern the use of the common properties, collect and administer assessments and enforce the restrictive covenants applicable to the subdivision. The Association does not hold architectural control over the subdivision. This function is carried out by the developer through the Architectural Review Board, although in the future the Association may have control, if such function is assigned to the Association by the developer as permitted under the covenants. The Declaration provides for the transfer of control of the Architectural Review Board upon

the sale of 90% of the Lots at South Island Plantation, or five years from the date of the Review Board is created, at the sole option of the Declarant, the Declarant may, by filing a supplementary Declaration of Covenants, Easements and Conditions with the Office of the Register of Mesne Conveyances, transfer the above-described architectural authority to a permanent Review Board which, subject to the covenants and conditions stated within the aforesaid Supplemental Declaration, shall be under the control of the Association. There is no function that we now provide at no charge for which the Association may be required to assume responsibility in the future. The current level of assessments, fees, charges or other income does not provide the capability for the Association to meet its present or planned financial obligations. Until such time that the natural growth of the Association produces assessments sufficient to offset expenses of the Association, it is anticipated that deficits will be incurred and such deficits will have to be financed in some acceptable manner in accordance with the recorded covenants and the Bylaws of the Association. Although the developer may subsidize the Association in its preliminary years it is not obligated to do so and, if it does not, such deficits will have to be financed by the Association.

TAXES

After taking title, you will be required to pay Georgetown County real estate taxes. Taxes assessed for the year during which you receive title to your lot will be prorated between you and us as of the date of closing. Thereafter, you will be required to pay all taxes levied against the property. Payment of such taxes is made directly by you to Georgetown County Treasurer, 715 Prince Street, Georgetown, South Carolina 29440. Lots in Phase 1 were not of record for 2005 valuation assessment by the City. Lots in Phase 2 will not be of record for 2006 valuation assessment by the City. Estimated taxes are based upon proposed selling prices for the lots multiplied by the City of Georgetown assessment and millage rates for 2005. The taxes are subject to change annually.

RESALE OR EXCHANGE PROGRAM

We do not have a program to assist you in the sale of your lot. We do not have any provision to allow you to exchange one lot for another. You may not post any signs on your lot without obtaining prior written approval from the Architectural Standards Review Board established and controlled by us. We hold a right of first refusal on the resale of all lots. If we decline or fail to exercise this right of first refusal within 30 days, then you may sell your lot on the terms of the bona fide offer.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We have not, and will not, discriminate against you because of your race, color, religion, sex or national origin. Furthermore, we will not indicate a preference for, or a rejection of any particular group in our advertising, rendering of lot services, or in any other manner.

LOT LISTING

Lot 41, Phase 1, Georgetown County, recorded in the Office of the Register of Deeds in Plat Slide 555 at Pages 1-5.

Lots 98-187, Phase 2, Georgetown County, recorded in the Office of the Register of Deeds in Plat Slide 576 at Pages 4-8.

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER
COST SHEET

In addition to the purchase price of your lot, there are other expenditures which must be made. Listed below are the major costs. There may be other fees for use of the recreational facilities.

All costs are subject to change

Sales Price of Lot

Cash Price of Lot	\$ _____
Finance Charge	-0-

TOTAL	\$ _____
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Estimated One-Time Charges

1. Water Connection Fee	\$ 700.00
2. Sewer Connection Fee	\$ 900.00
3. Construction costs to extend electric and/or telephone service	\$ -0-
4. Building Permits	\$ _____
5. Fire Impact Fee	\$ _____
6. Road Impact Fee	\$ 1,000.00
7. Design Review Fee	\$ _____
8. Water, sewer, electric service Fee	\$ 100.00

TOTAL	\$ _____
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Refundable Construction Compliance Fee

\$ _____

Total estimated sales price and one-time charges

\$ _____

Estimated annual charges, exclusive of utility use fees

1. Taxes	\$ _____
2. Dues and Assessments	\$ 1,800.00

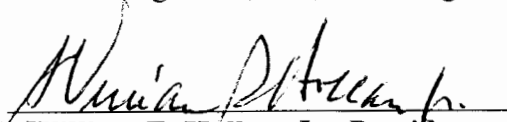
Total

\$ _____

The information contained in this Property Report is an accurate description of our subdivision and development plans.

WINYAH BAY HOLDING LLC

By: THI Management, Inc., its Manager

By: 
William E. Hollan, Jr., President

RECEIPT, AGENT CERTIFICATION AND CANCELLATION PAGE
PURCHASER RECEIPT
IMPORTANT: READ CAREFULLY

NAME OF SUBDIVISION: SOUTH ISLAND PLANTATION

ILS NO: 31560

Date of Report _____

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of the Property Report.

Received by _____ Date _____
Street Address _____,
City _____, State _____, Zip _____

If any representations are made to you which are contrary to those in this report, please notify the:

Office of Interstate Land Sales Registration
HUD Building, 451 Seventh Street, S.W.
Washington, D.C. 20410

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot _____ Tract _____ Block _____
Name of Salesperson Rayton Tuelken
Signature [Signature] Date 2/15/06

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract, and wish to do so, you may cancel by personal notice, or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below.

Name of Subdivision: SOUTH ISLAND PLANTATION

Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) Signature _____ Date _____