

STATE OF SOUTH CAROLINA)
)
 COUNTY OF HORRY)
)
 Service Corporation of South Carolina,)
)
 Plaintiff,)
)
 v.)
)
 Bahama Sands Development, LLC,)
 Landmark Builders of South Carolina, LLC,)
 and Janice B. Musante,)
)
 Defendants.)

IN THE COURT OF COMMON PLEAS
 CASE NO.: 2008-CP-26-1277

**RECEIVER'S MONTHLY
 REPORT (JULY 2008)**

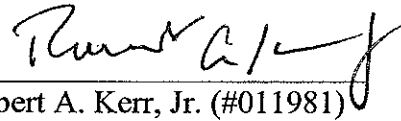
FILED
 HORRY COUNTY
 2008 AUG 21 AM 11:09
 MELANIE HIGGINS
 CLERK OF COURT

The undersigned hereby submits his report in connection with the Receivership Estate in the above captioned matter.

1. Bahama Sands Development, LLC (“Developer”) developed Bahama Sands, a ninety (90) unit condominium complex in North Myrtle Beach, SC (the “Project”).
2. By Order filed March 28, 2008 in this matter (“Receiver Order”), the undersigned, Robert A. Kerr, Jr., was appointed Receiver (“Receiver”) of the real property and improvements subject to the Plaintiff’s mortgage in this foreclosure proceeding.
3. During the month of July 2008, the Receiver took the following actions:
 - a. negotiated contract amendments with pre-construction contract parties;
 - b. negotiated and concluded an escrow arrangement with counsel for a third-party defendant who filed a lis pendens on the Project;
 - c. concluded the sale of Units 704 and 904;
 - d. monitored management company and rental operation for unsold units;
 - e. reviewed and entered into bulk services agreement for cost savings to HOA;
 - f. hired new regime management company, RAM, and worked on budget for HOA;

- g. traveled to development for inspection and meetings with management company, regime manager, and homeowners; and
 - h. communicated regularly by phone and written communications with many parties in interest.
4. Financial Statements and a bank statement for the period ending July 31, 2008 are attached as Exhibit A and B respectively.

HAGOOD & KERR, PA



Robert A. Kerr, Jr. (#011981)
654 Coleman Boulevard
P.O. Box 220
Mt. Pleasant, SC 29464
(843) 972-1000

RECEIVER

Mt. Pleasant, South Carolina
August 26, 2008.

STATE OF SOUTH CAROLINA)
)
 COUNTY OF HORRY)
)
 Service Corporation of South Carolina)
)
 Plaintiff,)
)
 v.)
)
 Bahama Sands Development, LLC,)
 Landmark Builders of South Carolina, LLC,)
 and Janice B. Musante,)
)
)
 Defendants.)
 _____)

IN THE COURT OF COMMON PLEAS
 CASE NO.: 2008-CP-26-1277

CERTIFICATE OF SERVICE

FILED
 HORRY COUNTY
 2008 AUG 27 AM 11:06
 MELANIE HUGGINS
 CLERK OF COURT

I, Robert A. Kerr, Jr., of full age, hereby certify as follows:

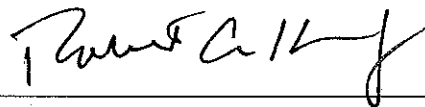
1. I am an attorney-at-law admitted to practice before this Court and am a member of the law firm of Hagood & Kerr, PA, attorneys for Defendant.
2. On August 26, 2008, I served the above-named Plaintiff with true and correct copies of the Receiver's Monthly Report (July 2008) by depositing same in a United States mailbox addressed as follows:

Richard R. Gleissner, Esq.
 Finkel Law Firm, LLC
 P.O. Box 1799
 Columbia, SC 29202

Richard M. Smith, Esquire
 McNair Law Firm
 121 Screven Street
 Georgetown, SC 29440

3. I certify to the best of my knowledge and belief, that the foregoing statements are true and correct.

August 26, 2008



P.O. BOX 338
CHARLESTON, SC 29402
(843) 724-1500
www.banksc.com

ACCOUNT:

190032111 07/31/2008



✓ 2M
8/7/08

HAGOOD & KERR PA
ROBERT A KERR JR RECEIVER FOR
BAHAMA SANDS DEVELOPMENT
654 COLEMAN BLVD STE#100
MT PLEASANT SC 29464

30
2
8

~MESSAGE TO OUR PERSONAL ACCOUNT HOLDERS~

The Bank of South Carolina now offers online ESafe Bill Pay for our personal account holders.

ESafe Bill Pay features include:

- ~Easy payee set up allowing users to pay any merchant
- ~Flexible payment scheduling options
- ~Ability to pay from multiple personal checking accounts
- ~View payment history

Please see one of our Personal Bankers to sign up for the new ESafe Bill Pay service!

Bank of SC
EST.
wire book fee

COMMERCIAL CHECKING ACCOUNT 190032111

MINIMUM BALANCE	16,700.38	LAST STATEMENT 06/30/08	78,732.01 ✓
AVG AVAILABLE BALANCE	396,913.38	2 CREDITS	836,963.86 ✓
AVERAGE BALANCE	396,913.38	8 DEBITS	898,995.49 ✓
		THIS STATEMENT 07/31/08	16,700.38 ✓

----- OTHER CREDITS -----		
DESCRIPTION	DATE	AMOUNT
WIRE TRANSFER INCOMING	07/16	414,062.65
WIRE TRANSFER INCOMING	07/18	422,901.21

unit 704
unit 904

----- CHECKS -----					
CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT	CHECK #..DATE.....AMOUNT			
10304 07/07 5,000.00	10306 07/22 11,309.50				
10305 07/10 17,665.99	10307 07/25 64,990.00				

----- OTHER DEBITS -----		
DESCRIPTION	DATE	AMOUNT
WIRE FEE	07/16	10.00
WIRE FEE	07/18	10.00
WIRE FEE	07/30	10.00
WIRE TRANSFER OUTGOING	07/30	800,000.00

*** CONTINUED ***



Personal Service with a Capital E.
Please ask us how to sign up.

P.O. BOX 538
CHARLESTON, SC 29402
(843) 724-1500
www.banksc.com

ACCOUNT:

190032111 07/31/2008



HAGOOD & KERR PA

=====

COMMERCIAL CHECKING ACCOUNT 190032111

=====

----- DAILY BALANCE -----

DATE.....	BALANCE	DATE.....	BALANCE	DATE.....	BALANCE
07/07	73,732.01	07/18	893,009.88	07/30	16,700.38
07/10	56,066.02	07/22	881,700.38		
07/16	470,118.67	07/25	816,710.38		

- END OF STATEMENT -

OnLine Banking



Personal Service with a Capital E.

Please ask us how to sign up.

WIRE TRANSFER FEE DEBIT FORM
 ACCOUNT NAME: Hagood + Kerr PA
 DATE: 7/16/08
 PREPARED BY: Bu
 DESCRIPTION: Transfer Fee
 AMOUNT: \$ 10.00
 TRAN CODE: * 0 5 8
 ACCOUNT NUMBER: * 0190032111
 MICR: @53201872: 0190032111 058 /0000001000

WIRE TRANSFER FEE DEBIT FORM
 ACCOUNT NAME: Hagood + Kerr PA
 DATE: 7/18/08
 PREPARED BY: Bu
 DESCRIPTION: Wire Transfer Fee
 AMOUNT: \$ 10.00
 TRAN CODE: * 0 5 8
 ACCOUNT NUMBER: * 0190032111
 MICR: @53201872: 0190032111 058 /0000001000

0 \$10.00 07/16/2008

0 \$10.00 07/18/2008

WIRE TRANSFER FEE DEBIT FORM
 ACCOUNT NAME: Hagood + Kerr PA
 DATE: 7/30/08
 PREPARED BY: Bu
 DESCRIPTION: Wire Transfer Fee
 AMOUNT: \$ 10.00
 TRAN CODE: * 0 5 8
 ACCOUNT NUMBER: * 0190032111
 MICR: @53201872: 0190032111 058 /0000001000

DEBIT THE BANK OF SOUTH CAROLINA
 AMOUNT: 800,000.00
 TODAY, 7/30/08, WE HAVE CHARGED YOUR ACCOUNT COVERING:
 Wire to: Nexity Bank
 SWP: Bahama Sands Development LLC
 ACCOUNT NUMBER: 0190032111
 TRAN: 047
 AUTHORIZED SIGNATURE: [Signature]
 ACCOUNT NAME: Hagood + Kerr PA
 654 Coleman Blvd Ste #100
 Mt Pleasant SC 29464
 MICR: @53201872: 0190032111 047 /0080000000

0 \$10.00 07/30/2008

0 \$800,000.00 07/30/2008

BAHAMA SANDS DEVELOPMENT
 The Bank of South Carolina
 PAY TO THE ORDER OF: Kober, Conner & Conner, PC
 \$5,000.00
 Five Thousand and 00/100
 Kober, Conner & Conner, PC
 MICR: @10304 4:053201872: 0190032111 /0000050000

BAHAMA SANDS DEVELOPMENT
 The Bank of South Carolina
 PAY TO THE ORDER OF: Premium Financing Specialists, Inc.
 \$17,665.99
 Seventeen Thousand Six Hundred Sixty-Five and 99/100
 Premium Financing Specialists, Inc.
 1122 Lacy Street
 Suite 940
 Columbia, SC 29201
 MICR: @10305 4:053201872: 0190032111 /0001766599

10304 \$5,000.00 07/07/2008

10305 \$17,665.99 07/10/2008

BAHAMA SANDS DEVELOPMENT
 The Bank of South Carolina
 PAY TO THE ORDER OF: Hagood + Kerr, PA
 \$11,309.50
 Eleven Thousand Three Hundred Nine and 50/100
 Hagood + Kerr, PA
 MICR: @10306 4:053201872: 0190032111 /0001130950

BAHAMA SANDS DEVELOPMENT
 The Bank of South Carolina
 PAY TO THE ORDER OF: Bryan + Hoar, Escrow Agent
 \$64,990.00
 Sixty Four Thousand Nine Hundred Ninety and 00/100
 Bryan + Hoar, Escrow Agent
 MICR: @10307 4:053201872: 0190032111 /0006499000

10306 \$11,309.50 07/22/2008

10307 \$64,990.00 07/25/2008

12:12 PM
08/07/08

Bahama Sands Receivership
Reconciliation Summary
Bank of SC 190032111, Period Ending 07/31/2008

	<u>Jul 31, 08</u>
Beginning Balance	78,732.01
Cleared Transactions	
Checks and Payments - 8 items	-898,995.49
Deposits and Credits - 2 items	836,963.86
Total Cleared Transactions	<u>-62,031.63</u>
Cleared Balance	<u>16,700.38</u>
Register Balance as of 07/31/2008	16,700.38
Ending Balance	16,700.38

DR
8/7/08

Bahama Sands Receivership
Reconciliation Detail
 Bank of SC 190032111, Period Ending 07/31/2008

Type	Date	Num	Name	Clr	Amount	Balance
Beginning Balance						78,732.01
Cleared Transactions						
Checks and Payments - 8 items						
Check	6/26/2008	10304	Kelaheer, Connell & ...	X	-5,000.00	-5,000.00
Check	7/8/2008	10305	Premium Financing ...	X	-17,665.99	-22,665.99
Check	7/16/2008	EFT	Bank of South Caro...	X	-10.00	-22,675.99
Check	7/18/2008	EFT	Bank of South Caro...	X	-10.00	-22,685.99
Check	7/20/2008	10306	Hagood & Kerr, PA	X	-11,309.50	-33,995.49
Check	7/22/2008	10307	Bryan & Hoar, Escr...	X	-64,990.00	-98,985.49
Check	7/30/2008	EFT	Nexity Bank, ABA #...	X	-800,000.00	-898,985.49
Check	7/30/2008	EFT	Bank of South Caro...	X	-10.00	-898,995.49
Total Checks and Payments					-898,995.49	-898,995.49
Deposits and Credits - 2 items						
Deposit	7/16/2008			X	414,062.65	414,062.65
Deposit	7/18/2008			X	422,901.21	836,963.86
Total Deposits and Credits					836,963.86	836,963.86
Total Cleared Transactions					-62,031.63	-62,031.63
Cleared Balance					-62,031.63	16,700.38
Register Balance as of 07/31/2008					-62,031.63	16,700.38
Ending Balance					-62,031.63	16,700.38