

Dear Marriott's OceanWatch at Grande Dunes® Owner,

The purpose of this letter is to inform you of a recently filed lawsuit involving the Association. Specifically, owners Merle D. Russ and Ellen S. Russ filed a civil action in the Horry County, South Carolina Common Pleas Court on October 9, 2019 against multiple Defendants, including the *OceanWatch Villas Owners Association* (which is comprised of every OceanWatch Owner as part of your deed at time of purchase), Marriott Ownership Resorts, Inc., Marriott Resorts Hospitality Corporation, Hardin Construction Company LLC, and several other construction subcontractor entities. The lawsuit focuses on building construction and water penetration of the buildings at OceanWatch, as well as subsequent remediation work. As you will recall, there have been water penetration issues over the last few years due to the hurricanes/storms that have hit the Myrtle Beach area. Details of the lawsuit can be found at the Horry County Court website, <https://publicindex.sccourts.org/Horry/PublicIndex/PISearch.aspx>, Case number 2019cp2606405. The lawsuit was served on the Association on December 17, 2019 and was thereafter transferred to Federal Court in Florence, South Carolina on January 22, 2020. It is currently waiting for Attorneys for all parties involved to conduct a status conference with the Judge on April 8, 2020 by teleconference.

OceanWatch Villas Owners Association has retained legal counsel and has filed an Answer with the Court denying all the allegations against the Association.

As this is an election year for the Association, it is important that any Owner putting him/herself forward for consideration understand that a lawsuit has been filed and the Association Board will likely be involved in litigation for at least the next 18 months.

On behalf of the Board of Directors for OceanWatch Villas Owners Association, we will closely monitor the events pertinent to the lawsuit.

Sincerely,

Elizabeth B. Matthew

President
Board of Directors
OceanWatch Villas Owners Association