THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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SC Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Stephanie P. McDonald, Circuit Court Judge

Case No. 2010-CP-10-10490

Brad J. Walbeck and Lea Ann Adkins, Both Individually and Derivatively on Behalf of The I'On Assembly, Inc.; I'On Assembly, Inc.

Respondents,

v.

The I'On Company, LLC, The I'On Club, LLC, The I'On Group, LLC f/k/a Civitas, LLC, and I'On Realty, LLC,

Appellants.

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STATE OF SOUTH CAROLINA COUNTY OF CHARLESTON	IN THE COURT OF COMMON PLEAS
LEA ANN ADKINS and BRAD J. WALBECK, Plaintiffs, vs. THE I'ON COMPANY, LLC and I'ON ASSEMBLY, INC., Defendants.	Case No.

Plaintiffs, complaining of Defendants allege:

PARTIES

1. Plaintiff, Lea Ann Adkins ("Adkins"), a resident of Charleston County, South Carolina is the owner of real estate located in Charleston County in a subdivision development known as I'On.

2. Plaintiff Adkins' real property in the I'On development comprises a house and lot, and it is her primary residence.

3. Plaintiff Adkins' residence address in I'On is 34 Hopetown Road, Mount Pleasant, South Carolina, 29464, and is also described as Lot 5-104 on a plat of said property.

4. Plaintiff Adkins purchased the above-described real property from Defendant, The I'On Company, LLC, ("the Company"), in February 2003, and subsequently constructed a house thereon that became her primary residence.

5. Plaintiff, Brad J. Walbeck ("Walbeck"), a resident of Charleston County, South Carolina is the owner of real estate described herein that is located in Charleston County in a subdivision development known as I'On.

6. Plaintiff Walbeck's real property in the I'On development comprises a house and lot.

7. Plaintiff Walbeck's residence address is I'On is 114 North Shelmore Boulevard, Mount Pleasant, SC 29464, and is also described as Lot 224 on a plat of I'On by Thomas and Hutton dated August 11, 1999.

8. Plaintiff Walbeck purchased the above-described real property from Defendant, The I'On Company, LLC in November 1999 and subsequently constructed a house thereon that became is primary residence, and it is now his primary residence.

9. Defendant, the Company, is a limited liability company organized, existing and operating under the laws of South Carolina, and is subject to the laws and regulations of the United States that govern and regulate its operation at I'On, and is doing business in Charleston County, South Carolina.

10. Defendant, The I'On Assembly, Inc., ("the Assembly") is a corporation organized and existing under the laws of South Carolina, and is doing business in Charleston County, South Carolina.

JURISDICTION

11. Plaintiffs are residents of Charleston County; and they both entered into contracts for the sale of real estate to be performed in Charleston County, and they accepted title from the Company to real estate located in Charleston County, all of which is the

subject matter of this action; and they are bringing this action for themselves and others who are similarly situated.

12. Defendant, the Company, is a limited liability company organized and existing under the laws of South Carolina, is doing business in Charleston County, and is a party to certain contracts and real estate deeds referred to in paragraph 11 which will be more fully described herein.

13. Defendant, the Assembly, is, on information and belief, a corporation organized and existing under the laws of South Carolina, is doing business in South Carolina, and is an association of owners of property in a subdivision known as I'On which was organized and developed by the I'On Company, LLC, a Defendant herein.

14. The Assembly is a party to this action because if Plaintiffs are successful in the claims that are being made herein certain real property described herein will be transferred to it on behalf of all owners of property in the I'On subdivision, and the proceeds of a monetary judgment may be partially paid to the Assembly.

15. All the parties to this action, and the subject matter of all the claims that are being made in this action are within the jurisdiction of this Court.

STANDING

16. Plaintiffs have standing to bring this action on behalf of themselves and all other similarly situated property owners in I'On because the Assembly has: (1) through its governing body, failed to take any action to protect and enforce the rights of its members who are Plaintiffs herein with respect to the matters alleged herein; and (2) the Assembly was created and its decisions and activities have been controlled by the I'On Company, LLC,

and as a result of such relationship and control by the Company it is not a suitable party to represent Plaintiffs and other property owners at I'On for the matters in dispute herein.

17. Plaintiffs have sufficient and lawful standing to represent themselves and all other I'On property owners in this action.

FACTUAL BACKGROUND

18. Plaintiffs Walbeck and Adkins entered into valid and binding contracts for the sale of real property, and were subsequently conveyed title to the real property described in their respective contracts of sale, copies of which contracts are attached hereto as exhibits A and B.

19. At all times relative to the matters alleged herein, Defendant, the Company, was represented by agents that were authorized to act for it either as its agents, employees, servants, or officers, or by employees or agents of Civitas, LLC which was a limited liability company wholly owned and controlled by the Company whose agents and employees are and were fully authorized to act for the Company; and Civitas, LLC is and was, in legal effect, the same as the Company.

20. The Company was, at the time the contracts described herein and when all other contracts for sale of real property of similarly situated lot owners in I'On were executed, the Company, on information and belief, was and still is subject to all the requirements and provisions of Title 15, Chapter 42, §§1702, et seq. of the United States Code which is known as the Interstate Land Sales Act ("ILSA"); and that all the legal requirements and provisions set forth in the ILSA are applicable to all the transactions between the Company, the Plaintiffs, and all lot owners in I'On.

21. A Property Report ("the Property Report") dated November 3, 1998, a copy of which is attached hereto as Exhibit "C," was given to the Plaintiffs and, on information and belief, to some or all of the other purchasers of lots in I'On at the time of or before any agreements to purchase property in I'On were entered into for the purpose of making representations that were required by law or otherwise of all the matters contained in the said Property Report to induce Plaintiffs and others similarly situated to rely on such representations and to purchase lots in I'On.

22. The Company, by its agents, servants, and employees, represented to Plaintiffs and, on information and belief to some or all others who purchased lots in I'On, in the written representations contained in the Property Report, and orally to Plaintiff Walbeck and perhaps others, that the ownership to certain land described as Creekside Park and a Community Dock, both of which are shown on a plat of said property attached hereto as "Exhibit "D," would be transferred and conveyed to the Assembly for the use and benefit of all the owners of lots in I'On.

23. The representations made by the Company, both orally in some cases, and in writing as described herein, were false, material, and intended to be relief upon because the Company has failed and refused to transfer ownership of Creekside Park or the Community Dock to the Assembly as it agreed to do and as it was required to do by law.

24. Plaintiffs and others similarly situated relied upon the oral and written representations of the Company that the ownership of Creekside Park and the Community Dock would be transferred by the Company to the Assembly when they agreed to purchase lots in I'On, and such representations induced them to purchase lots in I'On.

25. The Company has failed and refused to honor its representations that the ownership of Creekside Park and the Community Dock would be transferred to the Assembly although it has been notified that it is legally obligated to do so, and it has breached its legal duty to do so.

26. The failure to transfer the title to Creekside Park and the Community Dock has damaged Plaintiffs and all lot owners in I'On, and the value of each lot has been diminished by such breach of contract, misrepresentations, and fraudulent conduct, and by violations of the ILSA and by violations of the South Carolina Unfair Trade Practices Act §39-5-10, S.C. Code annotated, and other laws of South Carolina governing the sale of real estate.

27. Plaintiffs, Adkins and Walbeck, and other similarly situated lot owners relied upon the representations described in the foregoing paragraphs when they made a decision to purchase their lots, and they and other lot owners have been damaged by such false, intentional, and fraudulent misrepresentations.

28. At some time since 1998, when the Property Report was first published, the Company, on information and belief, unilaterally declared that it was no longer subject to the requirements of the ILSA; but notwithstanding such declaration of non-applicability and non-compliance, the Company continued to distribute the Property Report to potential lot purchasers with the intent that all representations contained in said report were to be relied upon by the potential lot purchasers in making a decision about whether or not to purchase a lot at I'On; and, in fact, Plaintiffs believe that the Company was and still is subject to the ILSA; and such conduct gave all potential lot owners who received a copy of the Property

Report a reasonable expectation that the Company's sales in I'On were subject to the provisions of the ILSA.

COUNT I
(Interstate Land Sales Act)

29. Allege all prior allegations.

30. Defendant, the Company, has violated the ILSA, Title 15, Chapter 42, §1502, et seq., U.S. Code by: (1) issuing a Property Report that made representations to prospective purchasers of lots that were false; (2) attempting to avoid its responsibilities mandated by the ILSA by unlawfully claiming that it was not subject to the requirements of the ILSA; and (3) continuing to distribute copies of the Property Report containing false representations while contending it was not subject to the provisions of ILSA, but not informing prospective purchasers that it thought it was not subject to the ILSA until at least the time the contracts were executed.

31. On occasion, the Company distributed Property Reports that were outdated by amendments, and such amendments were not provided to potential purchasers.

32. Plaintiffs are entitled to an award for damages that have been caused by the Company's violation of the ILSA, and for all such other and further relief as is provided for in said Act, including costs and attorneys' fees.

COUNT II
(Fraud)

33. Plaintiffs reallege all of the foregoing allegations of the Complaint as if set forth here verbatim.

34. The Company, through and by its agents, servants, and employees, made intentional and material representations to Plaintiffs and to others similarly situated that were

false and known to be false when they were made, and its intentions were that Plaintiffs would rely on such false representations, and Plaintiff and others did rely on such false representations to their detriment, and as a result of such reliance, they were damaged.

35. Plaintiffs and other similarly situated are entitled to an award and judgment for actual and punitive damages that were proximately caused by the fraudulent conduct of the Company as described herein, and for such other and relief as the law provides in such cases.

COUNT III
(Negligent Misrepresentation)

36. Plaintiffs reallege all of the foregoing allegations of the Complaint as if set forth here verbatim.

37. The Company's oral and written material misrepresentations that were made to Plaintiffs and others similarly situated were made negligently and grossly negligently, and such conduct has proximately caused damage to Plaintiffs and others they represent, and they are entitled to an award of damages, both actual and punitive.

COUNT IV
(South Carolina Unfair Trade Practice Act)

38. Plaintiffs reallege all of the foregoing allegations of the Complaint as if set forth here verbatim.

39. The actions of the Company described in this Complaint violate the South Carolina Unfair Trade Practices Act, §39-5-10, et seq., S.C. Code annotated ("SCUTPA") inasmuch as the Company's conduct was deceptive; and it is conduct that has been repeated many times; and it has a potential for repetition.

40. Plaintiffs are entitled to a judgment of the Court for the Company's repetitive and multiple violations of the SCUTPA, and to an award for damages, treble damages, costs, and attorneys' fees for the prosecution of this action.

COUNT V
(Specific Performance)

41. Plaintiffs reallage all of the foregoing allegations of the Complaint as if set forth here verbatim.

42. The Company contracted with Plaintiffs and others similarly situated in valid, binding real property contracts of sale, based upon valuable consideration, to convey certain real property described by it as Creekside Park and Community Dock to the Assembly to benefit all of the owners in I'On.

43. The Company has failed and refused to make the conveyances that it is contractually obligated to make, and Plaintiffs are entitled to an order of this Court requiring the Company to do so by specifically performing such conveyances, and to an award of costs, damages, and attorneys' fees for its failure to do so, and for the damages sustained as a result of the deprivation of the use of such property since the respective lots were purchased.

WHEREFORE, Plaintiffs pray for a judgment of this Court for themselves and others similarly situated for:

1. damages as set forth herein;
2. punitive damages for fraud and negligent misrepresentations and wherever else they are allowed by law;
3. damages and other relief for violations of ILSA, Title 15, Chapter 42, U.S. Code;
4. damages, treble damages, costs and attorneys' fees under the provisions of the S.C. Unfair Trade Practices Act, §39-5-10, S.C. Code, annotated;

5. specific performance of contractual obligations to convey real property as consequential damages; and

6. for such other relief as may be just and proper; and for costs and attorney's fees.

Thomas S. Tisdale
NEXSEN PRUET, LLC
205 King Street, Suite 400 (29401)
P.O. Box 486
Charleston, South Carolina 29402
843.577.9440

Attorneys for Plaintiffs
Lea Ann Adkins and Brad J. Walbeck

May ____, 2009
Charleston, South Carolina

301568

I'On Lot Purchase Agreement

Purchaser: BRAD J. WALBECK 881-4004
(Name(s)) Phone-Office Phone-Home
2596 PALMETTO HALL BLVD. MT. PLEASANT, SC 29466
(Mailing Address) Fax Number

Seller: I'ON COMPANY, LLC 971-1662
(Name(s)) Phone - Office Phone - Home
159 CIVITAS STREET MT. PLEASANT, SC 29464
(Mailing Address) Fax Number

Property: Lot 224, 114 N. SHELMORE BLVD, as shown on the plat by THOMAS & HUTTON dated AUGUST 11, 1999, having a latest revision date of _____, 19_____, and recorded in Plat Book _____, at Page(s) _____ in the RMC Office for Charleston County, South Carolina (the "Plat")

1. **Agreement to Buy and Sell:** In consideration of Five and no/100 Dollars ($5.00), the mutual covenants and agreements contained herein, and other good and valuable consideration, the Purchaser identified above ("Purchaser") agrees to buy and the Seller identified above ("Seller") agrees to sell, the Property described above ("Property), subject to the matters herein provided.

2. **Purchase Price:** In consideration for the Property, the Purchaser agrees to pay to the Seller the sum of SIXTY ONE THOUSAND FIVE HUNDRED Dollars ($ 61,500.00) (the "Purchase Price") as follows: THREE THOUSAND SEVENTY FIVE Dollars ($ 3075.00) (5% of Purchase Price) is paid by Purchaser upon execution of this Agreement as earnest money (the "Earnest Money"), to be held and disbursed in accordance with Paragraph 3 below.

(b) FIFTY EIGHT THOUSAND FOUR HUNDRED TWENTY FIVE DOLLARS Dollars ($ 58,425.00) shall be paid in cash or immediately available funds at Closing. All amounts due hereunder shall be paid in United States dollars by certified or cashier's check, or in such other form as is acceptable to Seller. All deposits and other payments hereunder shall be made payable to Seller or an agent designated by Seller.

3. **Earnest Money:** The Earnest Money shall be deposited into an escrow account maintained by the Listing Broker identified on the signature page of this Agreement. Such account is not interest bearing. The Earnest Money shall be credited to Purchaser at Closing, as defined in Paragraph 4 below, or otherwise disbursed in accordance with the terms of this Agreement upon default of either party prior to Closing.

(a) Purchaser hereby acknowledges that the Earnest Money deposit shall be forfeited at the end of the sixtieth (60th) day following execution of this agreement unless Purchaser notifies Seller in writing of their intent to withdraw from this agreement prior to such date.

4. **Closing:**

(a) The closing of the purchase and sale transaction contemplated by this Agreement ("Closing") shall not be later than one hundred twenty (120) days from the execution hereof, at the Seller's attorney's office in Charleston, South Carolina, or such other time, date and place as the parties mutually agree in writing, the time of closing being of the essence. In the event of closing not taking place within aforementioned time, Seller shall have the option of (a) extending this agreement and require a 1% payment of the lot purchase price, which is non refundable and non applicable or (b) Purchaser shall forfeit the earnest money to Seller and Seller have no further obligation to Purchaser under this agreement.

a. Purchaser shall submit to the I'On Design Committee (IDC), conceptual drawings, rendering or photographs, illustrating the Architectural intent planned for the property, within forty five (45) days of the execution hereof. Failure to do so will make this agreement terminable by the Seller and Purchaser shall receive a full refund of all Earnest monies paid to date.

b. Purchaser shall submit to the IDC, within ninety (90) days of the execution hereof, Preliminary Design documents for approval and comments. Failure to submit such drawings will be considered default and at the Seller's option, this contract shall be terminable and Purchaser shall forfeit all earnest monies paid to date. Approval of Preliminary Design must be obtained prior to closing.

c. Purchaser acknowledges receipt of the Design Review Procedures and agrees to submit drawings and specifications in accordance with these Guidelines.

Purchaser's Initial GW

(b) At or prior to Closing, each party shall, upon the request of the other, deliver to the other party appropriate evidence to establish the authority of such party to enter into and close the transaction and any other documents reasonably necessary or appropriate to complete and evidence the transaction contemplated by this Agreement. Seller shall also deliver to Purchaser a non-foreign (FIRPTA) affidavit and, in consideration thereof, Purchaser covenants not to withhold any tax pursuant to Section 1445 of the Internal Revenue Code, as amended.

5. **Conveyance of Title:** At Closing, Seller shall deliver to Purchaser a properly executed general warranty deed conveying good and marketable title to the Property, free and clear of all liens and encumbrances except for zoning and other applicable laws, and other matters provided herein. The Property shall also be conveyed subject to:

(a) all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth on the Plat and in the Declaration of Covenants, Conditions and Restrictions for I'On, recorded or to be recorded prior to Closing in the RMC Office for Charleston County, South Carolina (the "Declaration") and all documents referenced therein;

(b) a reservation of non-exclusive easements along the boundary lines of the Property for the installation and maintenance of utilities;

(c) the restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(d) ad valorem property taxes and governmental assessments not due prior to Closing;

(e) a covenant that construction of the dwelling on the Property shall be performed only by a builder approved by The I'On Company, LLC, a South Carolina limited liability company;

(f) other matters approved or waived by Purchaser as provided for in this Agreement.

Purchaser acknowledges and agrees that the Property is also subject to federal and state stormwater management laws and regulations currently administered by the Office of Ocean and Coastal Resource Management ("OCRM") of the South Carolina Department of Health and Environmental Control ("DHEC") and agrees to abide by them.

6. **Closing Costs and Prorations:** Seller shall pay for the preparation of the deed, recording of any lien releases, and Seller's legal fees. Purchaser shall pay the deed recording fee required pursuant to §12-24-10 *et seq.* of the S.C. Code of Laws, 1976, as amended and all other closing costs. Property taxes shall be pro-rated between the parties as of the date of Closing. Any annual assessments by I'On Assembly, Inc. (the "Assembly") which have been paid in advance shall be prorated quarterly between Seller and Purchaser as of the date of Closing. The Purchaser shall pay when due all assessments applicable to the Property coming due after the date of Closing as provided in the Declaration and Bylaws referenced in Paragraph 7, as the same may be amended.

7. **Possession:** Seller shall deliver possession of the Property to Purchaser upon Closing.

8. **Disclosures:**

(a) **Assembly Documents:** The real property which is the subject matter of this Agreement is part of the planned community known as I'On, and is subject to the Declaration of Covenants, Conditions and Restrictions of I'On, as it may be amended and supplemented from time to time, as well as the Bylaws, and the Codes of the I'On Assembly, an owners association responsible for administering I'On in accordance with the Declaration. By initialing below in the space provided, Purchaser acknowledges receipt of the foregoing documents and agrees to be bound by the terms and provisions thereof.

_____ _____
initials initials

(b) **Membership in Assembly:** Upon conveyance of title to the Purchaser, Purchaser shall automatically become a member of the Assembly and shall remain a member so long as Purchaser holds title to the Property. Purchaser acknowledges that the Assembly is authorized to levy annual assessments against the Property for Purchaser's pro rata share of the common expenses of the Assembly as more fully set forth in the Declaration, and that such assessments are the personal obligation of each member.

(c) **Neighborhood Improvements:** Purchaser acknowledges that in as much as Purchaser may be purchasing the Property prior to the completion of construction on other lots and streets in the Neighborhood, there may be certain inconveniences until all such construction is completed, and Purchaser waives all claims with respect thereto. Purchaser agrees that if Purchaser, his family, guests, employees, agents or invitees enter onto any area of construction, they do so at their own risk, and neither The I'On Company, LLC, Builder, or their respective contractors, agents, or employees, shall be liable for any damage, loss or injury to such person.

(d) **Use and Development Restrictions:** Purchaser acknowledges that the Property is subject to various restrictions on use and development as set forth in the Declaration and I'On Code.

(e) **Plan Approval Pursuant to Declaration:** Purchaser acknowledges that all construction and landscaping on the Property and any modifications thereof affecting the exterior appearance of the Property are subject to prior approval in accordance with the Declaration and the I'On Code.

(f) **Approved Builder:** Purchaser acknowledges that only builders approved by The I'On Company, LLC, the developer of I'On, may construct homes in I'On. Such approval requirement is for the protection of The I'On Company, LLC, only and shall not be construed to create any duty or liability to Purchaser on the part of The I'On Company, LLC. Purchaser agrees that Purchaser shall not permit any person other than a builder approved by The I'On Company, LLC to engage in any construction on the Property.

9. **No Reliance:** Purchaser acknowledges that Purchaser or his or her spouse has made a personal, on-the-lot inspection of the Property prior to signing this Agreement. Purchaser acknowledges that this Agreement is entered into by Purchaser without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Property, or other matters, except as set forth

in this Agreement between Seller and Purchaser. Purchaser warrants and represents that if such matters are of concern to him, Purchaser has sought and obtained independent advice relative thereto.

10. Subdivision Improvements and Amenities: Purchaser and Seller agree that no representations regarding the provision or completion by the Seller of roads, sewer, gas, or electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Purchaser, except as specifically set forth in this Agreement and the Property Report delivered to Purchaser prior to execution of this Agreement. At or prior to Closing, Seller shall complete, or shall post a bond with the Town of Mount Pleasant, South Carolina or Charleston County, South Carolina, as appropriate, to provide financial assurances for completion of paved access from a public street or highway, central water and sewer service, and electricity to serve the Property. Seller agrees to construct the following recreational facilities within or adjacent to the subdivision in which the Property is located, and to complete such construction within 180 days of the estimated date specified below, subject to such contingencies which otherwise excuse any delay in performance under the terms of this Agreement.

Facility	Estimated Date Available for Use
Eastlake lake	11/1998
Eastlake Boathouse	9/1998
Canals	11/1998
Sidewalks, paths and trails - Phase 1	11/1998
Parks and Open Space - Phase 1	11 /1998
Creekside Park	9/1999
Community Dock	9/1999
Sidewalks, paths and trails - Phase 2	10/1999
Parks and Open Space - Phase 2	10/1999

11. Construction of Improvements: Purchaser shall cause construction of a residential dwelling to commence on the Property within 180 days after closing and shall cause such construction to be substantially completed and a certificate of occupancy issued within 12 months thereafter, subject only to delays occasioned by acts of God, material or labor shortages, or other conditions beyond the reasonable control of Seller.

12. Default and Remedies:

(a) **By Purchaser:**

(i) In the event of Purchaser's default in the performance of any obligation or covenant under this Agreement prior to Closing, Seller may elect to terminate this Agreement by written notice to Purchaser and retain the Earnest Money as Seller's full and complete liquidated damages for such default, the parties hereby acknowledging and agreeing that the amount of Seller's actual damages in such circumstance would be difficult, if not impossible, to determine. The parties further agree that such amount is a reasonable estimate of damages and is not a penalty.

(ii) In the event of Purchaser's default in the performance of any obligation or covenant hereunder after Closing, then in addition to the remedies set forth for specific events of default in this Agreement, Seller may elect to pursue any and all remedies available to it at law or in equity.

(iii) If Purchaser loses rights and interest in the Property because of Purchaser's default or breach of contract after 15% of the purchase price, exclusive of interest, has been paid, Seller shall refund to Purchaser any amount which remains from the payments made after subtracting 15% of the purchase price, exclusive of interest, or the amount of Seller's actual damages, whichever is greater.

(b) **By Seller:** Except as otherwise specifically provided below, Purchaser's sole remedies in the event of Seller's default in the performance of its obligations and covenants under this Agreement shall be as follows:

(i) If Seller defaults under this Agreement prior to Closing, Purchaser, at its election, may (i) avail itself of the equitable remedy of specific performance; or (ii) terminate this Agreement by written notice to Seller, whereupon Seller shall immediately refund to Purchaser all monies paid by Purchaser to Seller under this Agreement and the parties shall be relieved of any further obligations hereunder.

(ii) If Seller defaults under this Agreement in performance of any obligation to be performed after Closing and which expressly survives Closing, Purchaser may either seek specific performance of Seller's obligations hereunder or pursue any and all other remedies or actions at law or in equity available against Seller.

(c) **Notice of Default; Costs:** Notwithstanding anything to the contrary in this Paragraph 12, neither Seller nor Purchaser shall be entitled to exercise its remedies hereunder until the non-defaulting party has given the defaulting party at least 20 days written notice of such default, specifying the action necessary to cure such default, and if such default is cured during such 20-days, this Agreement shall continue in full force and effect. In any action at law or in equity between the parties occasioned by a default hereunder, the prevailing party shall be entitled to collect its reasonable attorney's fees and paralegal's fees actually incurred in the action from the non-prevailing party.

13. **Construction and Modification of Agreement:** The parties covenant and agree that this Agreement, together with any exhibit(s) or attachments referenced herein, (i) supersedes any and all other agreements of the parties and constitutes and expresses the entire agreement between the parties; (ii) may be amended only by a written instrument executed by both parties; (iii) shall be governed, construed, and enforced in accordance with the laws of the State of South Carolina. Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions shall remain in full force and effect and shall not in any manner be thereby affected or impaired. The provisions of this Agreement which contemplate performance after Closing shall survive the Closing. Time is of the essence for this Agreement.

14. **Successors and Assigns; Transfer of Title:** This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors, and assigns of the parties. Purchaser shall not transfer title to the Property after Closing unless such transfer is accompanied by an assignment to and assumption by the transferee of Purchaser's obligations under this Agreement.

15. **Notice:** Any communication under this Agreement shall be deemed duly given if in writing and either deposited, postage prepaid in the United States mail, certified mail with a return receipt requested, delivered personally, or via overnight air courier, to the address stated herein or such other address as may have previously been designated by either party by written notice to the other in accordance with this section.

16. **Force Majeure:** Either party hereto shall be excused for the period of delay in the performance of any obligations hereunder when such delay is occasioned by cause or causes beyond the control of the party whose performance is so delayed and the time for performance shall be automatically extended for a like period. Such causes shall include, without limitation, all labor disputes; civil commotion; war; war-like operations; sabotage; governmental or judicial regulations, legislation, or controls; inability to obtain any necessary materials or services; or acts of God.

17. **No Waiver:** Failure of either party to insist upon compliance with any provision hereof shall not constitute a waiver of the rights of such party to subsequently insist upon compliance with that provision or any other provision of this Agreement.

18. **Brokers:** Seller and Purchaser each represent to the other that neither has dealt with a real estate broker or agent in connection with the purchase and sale contemplated by this Agreement, other than the broker(s), if any,

whose name(s) and address(es) appear on the signature page of this Agreement. By initialing below, Purchaser and Seller acknowledge that (i) the Listing Broker, if any, identified on the signature page of this Agreement has acted as the agent of Seller in this transaction and Seller shall pay any real estate commission to which such Listing Broker may be entitled; and (ii) the Selling Broker, if any, identified on the signature page of this Agreement has acted as the agent of the Purchaser in this transaction and I'On Realty shall pay any real estate commission to which such Selling Broker may be entitled

19. **Commission:** Purchaser hereby acknowledges that Builder has agreed to pay Broker a commission of six (6%) of the Gross Sales Price, of the improvements to be constructed by Builder on Purchasers lot. Said commission shall be paid upon closing of the construction loan or commencement of construction, whichever next occurs after Builder enters into the contract for which commission is payable hereunder.

Seller's Initials JSB Purchaser's Initials BW

IN WITNESS WHEREOF, the parties have set their hands and seals, to be effective as of the date of execution by Seller below.

YOU HAVE THE OPTION TO CANCEL YOUR CONTRACT OR AGREEMENT OF SALE BY NOTICE TO THE SELLER UNTIL MIDNIGHT OF THE SEVENTH DAY FOLLOWING THE SIGNING OF THE CONTRACT OR AGREEMENT.

IF YOU DID NOT RECEIVE A PROPERTY REPORT PREPARED PURSUANT TO THE RULES AND REGULATIONS OF THE OFFICE OF INTERSTATE LAND SALES REGISTRATION, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, IN ADVANCE OF YOUR SIGNING THE CONTRACT OR AGREEMENT, THE CONTRACT OR AGREEMENT OF SALE MAY BE CANCELED AT YOUR OPTION FOR TWO YEARS FROM THE DATE OF SIGNING.

Signed, sealed and delivered in the presence of:

William H. Quarles
William H. Quarles (Printed Name)

(Printed Name)

PURCHASER:

By: Brad J. Wurbeck
Brad J. Wurbeck (Printed Name)

By:
(Printed Name)

Date: 11/27/99

Signed, sealed and delivered in the presence of:

Linda M. Herman
Linda M. German (Printed Name)

SELLER: The I'On Company, L.L.C., a South Carolina limited liability company

By: JSB
Joseph E. Barnes (Printed Name)

Its: Manager

Date: 12/7/99

LISTING BROKER:	SELLING BROKER:
Name: I'On Realty	Name: I'On Realty
Address: 159 Civitas Street Mt. Pleasant, SC 29464	Address: 159 Civitas St Mt. Pleasant SC
Phone: (843)884-3080	Agent: William H. Orange
	Phone: (843) [illegible]-884-3080

ADDENDUM "A"

Special Stipulations

The following special stipulations shall be added to and become a part of the Lot Purchase Agreement by and between The I'On Company, L.L.C. ("Seller") and BRAD J. WALBECK ("Purchaser") dated 27 November, 1999 (the "Agreement"), and shall control over any inconsistent provisions in the body of such Agreement.

1. Purchaser shall grant to Seller the right to re-purchase the Property at Purchaser's original Purchase Price, in the event that Purchaser defaults on the provision in Paragraph 11, fails to commence construction of residential dwelling on the Property within six (6) months following closing and default remains uncured after 30 day written notice of default. Purchaser shall execute a repurchase option as shown on Addendum "B" of this agreement at closing.

Signed, sealed and delivered in the presence of:

_____ (Printed Name)

_____ (Printed Name)

PURCHASER:

By: B J Walbeck
BRAD J. WALBECK (Printed Name)

By: _____
_____ (Printed Name)

Date: 11/27/99

Addendum "B"

Option to Purchase

This Agreement is entered into this 27 day of NOVEMBER, 1999, by and between The I'On Company, LLC, (hereinafter referred to as "Grantor") and BRAD J. WALBECK (hereinafter referred to as "Grantee").

WHEREAS, of even date herewith Grantor has conveyed to Grantee the property more particularly described on Exhibit "A" attached hereto and by this reference incorporated here (the "Property");

WHEREAS, the Lot Purchase Agreement (herein the "Agreement") pursuant to which Grantee acquired the Property from Grantor provided that in the event Grantee, within six (6) months from the date of the acquisition of the Property fails to commence construction of a properly approved residence on the Property, Grantor shall have the right to purchase the Property from the Grantee at the purchase price paid by Grantee upon the acquisition of the Property from Grantor;

NOW THEREFORE, for and in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantee does hereby grant and convey unto Grantor a right and option to repurchase the Property for a period commencing on the date hereof and terminating on the third anniversary of the date hereof, or the earlier date when a certificate of occupancy is issued for a residential dwelling on such Property (the "Term"). This option to repurchase is subordinate to any first mortgage or other security instrument of first priority securing a bona fide construction loan on the property. Grantor's election not to exercise its option to repurchase the Property shall not be deemed a waiver of the right to exercise such option.

If Grantor elects to exercise its option to repurchase, it shall do so by delivering written notice of such election to Grantee during the Term. Grantee shall convey the Property to Grantor by general warranty deed (subject to the same exceptions to title set forth in the deed of conveyance to Grantee within thirty (30) days after the date of receipt of Grantor's notice (the exact date, time, and location of closing of the repurchase to be selected by Grantor), for a purchase price which is equal to the amount paid by Grantee to Grantor for the lot. Such purchase price shall be paid in immediately available funds. If the title proposed to be conveyed is subject to any lien, encumbrance or defect which is not permitted, Grantor, in addition to all other rights and remedies which it may have at law or in equity, may remove any such lien, encumbrance or defect and deduct all costs and expenses incurred by Grantor (including, but not limited to, attorney's fees) from the amount of the purchase price otherwise payable as provided herein. Ad valorem taxes and assessments shall be prorated in the same manner as prorated with

respect to the original conveyance of the Property by grantor to Grantee.

The option to purchase set forth in this Instrument shall automatically terminate upon the issuance of a certificate of occupancy by the appropriate governmental authorities for a residential dwelling on the property, and Grantor shall, upon receipt of a written request from Grantee or a successor-in-title to the Property, execute a release of such option to purchase in recordable form.

IN WITNESS WHEREOF, the parties hereto have executed this agreement under seal on the date first above written

The I'On Company, LLC, a South Carolina limited liability company

By: _____

Name: _____

Title: _____

Signed, sealed, and delivered in the Presence of:

_____

WITNESS

_____

NOTARY PUBLIC

My Commission Expires:

[AFFIX NOTARY SEAL]

Grantee: _____

By: _____

Name: _____

Title: 4/29/99

Signed, sealed, and delivered in the presence of:

WITNESS

NOTARY PUBLIC

My Commission Expires:

[AFFIX NOTARY SEAL]

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 before you signed 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 any time within two (2) years from the date of signing.

Name of Subdivision:	I'On
Names of Developer:	The I'On Company, L.L.C., a South Carolina limited liability company
Date of This Report:	November 3, 1998

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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 in order 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 two hundred and forty-four (244) lots in Charleston County, South Carolina. See page 30 for a listing of these lots. It is estimated that this subdivision will eventually contain approximately seven hundred and eighty (780) lots.

The developer of this subdivision is:

The I'On Company, L.L.C., a South Carolina limited liability company

516 Mathis Ferry Road
P.O. Box 986
Mt. Pleasant, SC 29464

(803) 971-1662

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

CONDITIONAL PLATS OF THE LOTS IN PHASES 2 AND 3 OF THE SUBDIVISION HAVE NOT YET BEEN APPROVED OR RECORDED, BUT MUST BE APPROVED AND RECORDED PRIOR TO CONVEYANCE OF ANY LOT IN THOSE PHASES. UNTIL A CONDITIONAL PLAT IS RECORDED FOR A PARTICULAR PHASE, THE DESCRIPTION OF THE LOTS IN SUCH PHASE CONTAINED IN THIS PROPERTY REPORT IS NOT LEGALLY ADEQUATE FOR CONVEYANCE OF SUCH LOTS.

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 does not give you legal title. You will not 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

If you decide to purchase a lot, you will sign a sales contract obligating you to pay for the lot entirely in cash (with or without obtaining your own financing) at the closing of the purchase and sale of the lot.

We will deliver a general warranty deed to the property to you within 180 days of execution of a sales contract. You will receive a general warranty deed at the closing of the purchase and sale of the lot.

Type of Deed

The transfer of title to all lots will be by a general warranty deed.

ENCUMBRANCES, MORTGAGES, AND LIENS

The lots in Phase 1 of the subdivision, as described on page 30 of this Property Report, are subject to the following blanket encumbrances:

(1) Declaration of Covenants, Conditions and Restrictions for I'On, recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Book C-297, at Page 282;

(2) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company, dated August 12, 1997, in the original principal amount of $4,560,000.00, recorded August 12, 1997, in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina,

in Mortgage Book J-288 at Pages 611-618, as amended by that instrument recorded January 16, 1998 in Mortgage Book Z-295 at Page 363; and

In addition to items (1) and (2) above, the lots in that portion of Phase 1 identified on page 30 as Phases 1-B and 1-C of the subdivision are subject to the following blanket encumbrance (the lots in Phase 1-A have been released from this encumbrance):

(3) Mortgage from The I'On Company, L.L.C. to David N. Jordan, KREPS Investment Company, L.L.C., KAYJ Investment Company, L.L.C., L-J, Inc. and Barbara J. Alford, as Trustee of the Trust under the Will of Hampton S. Alford, dated August 12, 1997, in the principal amount of $1,586,000.00, and recorded August 12, 1997, in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book J-288 at Page 603.

In addition to items (1) and (2) above, the lots in that portion of Phase 1 identified on page 30 as Phase 1-A, including Lots 11 through 49 and 60 through 69, are subject to the following blanket encumbrance:

(4) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated January 16, 1998, in the original principal amount of Five Hundred and Eighty Thousand Dollars ($580,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book Z-295 at Page 149.

The lots in Phase 3 of the subdivision, as described on page 30 of this Property Report, are subject to the following blanket encumbrance:

(5) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated August 3, 1998, in the original principal amount of Nine Hundred and Forty Thousand Dollars ($940,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book N308, at Page 293.

In addition, prior to conveyance of the lots in Phases 2 and 3, they will be made subject to the Declaration of Covenants, Conditions and Restrictions referenced in item (1) above.

We do not presently own but have an option to purchase the property in Phase 2 as described on page 30 of this Property Report. Upon exercise of our option to acquire that property, we anticipate financing the acquisition and development of that property with a combination of cash and one or more acquisition and development loans from commercial lenders secured by mortgages on the property. In addition, prior to conveyance of the lots in Phase 2, they will be made subject to the Declaration of Covenants, Conditions and Restrictions referenced in item (1) above.

Release Provisions

The Mortgage described in item (2) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment of the greater of 61% of the gross sales price of the lot or the release price as stated in a separate I'On Development Loan Release Schedule agreed upon between us and the lender. The Mortgage described in item (3) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment of the release price for such lot set forth in a separate release schedule agreed upon between us and the lender. The Mortgage described in item (4) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment in the amount of Eleven Thousand Six Hundred Dollars ($11,600.00) per lot to be released. The Mortgage described in item (5) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment in the amount of Thirty-One Thousand One Hundred and Thirty-Four Dollars ($31,134.00) per lot to be released..

The contract for the sale of each lot obligates us to request and obtain a release of such lot from the applicable Mortgages prior to or simultaneous with closing and transfer of title to such lot. Under the terms of each Mortgage, the lender's obligation to release its lien on a lot is conditioned upon there being no default under the terms of the Mortgage or the promissory note and security agreement referenced in the Mortgage at the time such release is requested. The release provisions in the Mortgage on the lots in Phase 1A described in item (4) above may be exercised only by us (*i.e.*, there is no provision in such Mortgage for the purchaser of a lot to pay the release price and obtain the release if we fail to do so). Therefore, if we default under that Mortgage before obtaining a release on a lot in Phase 1A, the purchaser of such lot may lose the lot and any money paid for it. Prior to paying the purchase price for your lot at closing, you should confirm that all releases have been obtained.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Under South Carolina law, recording a sales contract places third parties on notice that the subject property is under contract for sale and may protect you from claims of subsequent purchasers or creditors claiming an interest in the lot. However, South Carolina law does not require that sales contracts be recorded and it is not common practice to do so. The sales contract is not in proper form for recording and will not be recorded. By not recording sales contracts, we avoid creating a defect in title to the lot in the event that the sales contract is terminated and the transaction is not completed for any reason.

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.

The deed to your lot will be recorded. In accordance with the South Carolina Code of Laws (1976), we will deliver the deed for your lot to the Office of the Register of Mesne Conveyances for Charleston County, South Carolina, for recording immediately following the closing. Under South Carolina law, recording a deed protects you from subsequent claims by third parties whose interest arises after the date of recording of the deed.

Title Insurance

You should obtain an attorney's opinion of title or title insurance policy which describes the rights of ownership you are acquiring in the lot you purchase. We recommend that an appropriate professional interpret the policy for you.

PAYMENTS

Escrow

Your earnest money deposit will be placed in an escrow account administered by I'On Realty, L.L.C., a South Carolina limited liability company, whose address is 516 Mathis Ferry Road, Mt. Pleasant, South Carolina 29464. I'On Realty, L.L.C. is a real estate broker licensed by the State of South Carolina and, as such, is required to comply with state laws and regulations regarding administration of escrow and trust accounts by real estate brokers.

I'On Realty, L.L.C. is under common ownership and control with The I'On Company, L.L.C. I'On Realty, L.L.C., as a real estate broker entitled to a commission from the sale of a lot, also has an interest in the transaction itself and thus, is not considered independent. You may lose your deposit on your lot if we fail to deliver legal title to you as called for in the contract, because it is not held in an escrow account which fully protects you.

Prepayment

If the purchase of your lot is financed by an independent financial institution, you will need to review the financing documents to determine whether there is any penalty for prepayment of the financing.

Default

The contract for sale specifies the rights and remedies which we may seek in the event you fail to make any payment or perform any obligation required by the contract prior to closing. If you default, we will give you written notice of the default and allow you at least 20 days from your receipt of that notice in which to correct the default. If you default in your obligations under the sales contract prior to closing, we may treat the contract as canceled and retain all monies you have paid as liquidated damages; provided, however, in no event will we retain monies you have paid in excess of 15% of the purchase price or our actual damages, whichever is greater.

If you default in the performance of your obligations under the sales contract after the date of closing, we may elect to pursue any and all remedies available to us at law or in equity.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive covenants have been recorded or will be recorded in the Office of the Register of Mesne Conveyance for Charleston County, South Carolina against each lot in the subdivision prior to conveyance. The restrictive covenants are contained in the Declaration of Covenants, Conditions and Restrictions for I'On ("Declaration"). I'On Assembly, Inc. ("Assembly"), a mandatory membership property owners association, is charged with administering and enforcing the Declaration. Each purchaser automatically becomes a member of the Assembly upon taking title to a lot and will remain a member as long as the purchaser owns property in the subdivision.

The restrictive covenants contained in the Declaration are described in the following paragraphs. The discussion only highlights the restrictions contained in the Declaration and should not be a substitute for your careful study of the document.

The lots are subject to architectural controls and design standards. The Declaration requires, among other things, that a purchaser of a lot secure approval of the I'On Design Committee prior to improving a lot or making any additions or modifications to the exterior of existing improvements. The I'On Design Committee may establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work must comply with the I'On Code, the document which sets forth the design standards for property in the subdivision, unless the I'On Design Committee has granted a variance in writing. Compliance with the I'On Code is a covenant undertaken by each purchaser of a lot in the subdivision.

In reviewing plans and specifications for proposed work, the I'On Design Committee is guided by the I'On Code, but the I'On Code is not the exclusive basis for its decisions and compliance with the I'On Code does not guarantee approval. The I'On Design Committee may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction has not commenced on proposed work within six months after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the I'On Design Committee, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The lots are also subject to certain use restrictions referred to in the Declaration as the I'On Rules. The initial I'On Rules are set out in Exhibit D to the Declaration and include restrictions on parking commercial and residential vehicles, boats and trailers; pets; television antennas, satellite dishes, radio receivers, and similar devices; trash and refuse containers; and signs. Additional restrictions may be established by the Board of Trustees of I'On Assembly, Inc., pursuant to its authority granted in the Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct in the subdivision. Such additions and changes to the I'On Rules need not be recorded.

A complete copy of these restrictions is available upon request.

Easements

There are easements which may affect your plans for building or using your lot. There are drainage, access and utility easements which affect the lots covered by the Property Report as shown or to be shown on the recorded plats. There are also easements which are described in the Declaration.

Article V of the Declaration sets forth certain easements for access by public safety officers and other public servants in the performance of their duties and easements for encroachments, maintenance, and utilities. The Declaration also provides for the creation of additional easements for conservation, wetlands buffering, landscaping and similar purposes, by other recorded instruments. You are advised to read Article V of the Declaration carefully for an understanding of the nature and scope of these easements.

The lots covered by this Property Report are not subject to any type of flood control or flowage easements.

PLATS, ZONING, SURVEYING, PERMITS, AND ENVIRONMENT

Plats

A final plat covering the lots in Phase 1A of the subdivision, as described on page 30 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyance of Charleston County, South Carolina in Plat Book EC at Page 631. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 1B of the subdivision, as described on page 30 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyance of Charleston County, South Carolina in Plat Book EC at Pages 627-628. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 1C of the subdivision, as described on page 30 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyance of Charleston County, South Carolina in Plat Book EC at Page 637. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

Conditional plats of the lots in other phases of the subdivision have not yet been approved or recorded, but must be approved and recorded prior to conveyance of any lot in those phases. Until a conditional plat is recorded for a particular phase, the description of the lots in such phase contained in this Property Report is not legally adequate for conveyance of such lots.

Zoning

All lots described on page 30 of this Property Report are designated for single-family residential use except those lots identified by the designation "CM" or "CV" before the lot number, which are designated for commercial or civic purposes, respectively. These uses conform to local zoning requirements and the restrictive covenants pertaining to the subdivision.

Surveying

Each lot has been or will be surveyed at our expense and identified on a recorded plat prior to conveyance. Pins will be set on the corners of each lot to physically mark the lot boundaries.

Permits

Before beginning construction on a lot, the purchaser must obtain approval of the I'On Design Committee, as discussed under the caption "Restrictive Covenants" above, for the proposed improvements. In addition, the purchaser must obtain a building permit from the Town of Mt. Pleasant, South Carolina before commencing construction. Upon completion of construction, the purchaser must obtain a certificate of occupancy from the Town of Mt. Pleasant before the dwelling may be occupied. No other governmental permits will be necessary in order to use the lot for a single family residence.

Environment

No independent environmental impact study has been required or conducted for the subdivision. Thus, no determination has been made as to all of the possible adverse effects the subdivision may have upon the environment and surrounding area.

In connection with our subdivision approval by the Town of Mt. Pleasant, we prepared an impact assessment which addresses the impact of the subdivision in a number of specific areas, including its impact on the environment. The assessment describes the following plans to mitigate any detrimental effect on the environment.

The subdivision has 2,488 linear feet of frontage along a section of Mathis Ferry Road designated as a South Carolina Scenic Highway in June 1988. In order to maintain and enhance the screening effect of the existing live oak canopy along this highway, we plan to provide a 25 foot wide natural buffer along the entire frontage, work with the South Carolina Department of Transportation and the Town of Mt. Pleasant to replant live oaks where trees have died or been removed, and utilize understated brick columns and white rail fencing rather than large signage to designate entryways to the subdivision.

The subdivision currently drains overland to three lakes on the property, a large wetland at the headwaters of Molasses Creek, and the adjacent salt marshes. We plan to make extensive use of the three lakes and the existing freshwater wetlands to limit storm water runoff to pre-development rates and contain non-point runoff from entering the salt marsh. An extensive park system planned along the highlands above the marshes and waters of Hobcaw Creek, together with other management practices, will serve a dual purpose of providing storm water control and serving as an amenity for residents.

The subdivision has over 2 miles of marsh and deep water frontage along Hobcaw Creek and 1.46 miles of frontage along the lakes mentioned above. The U. S. Army Corps of Engineers has delineated and approved the critical line along the marshes and waters of Hobcaw Creek and the freshwater wetlands within the subdivision. Rather than subdividing this premium frontage into lots, over 75% of the marsh, water frontage and lake frontage is planned as parks. One of the three lakes will be preserved as a wildlife sanctuary.

ROADS

Here we discuss the roads which lead to the subdivision, the roads within the subdivision, and the location of nearby communities.

ACCESS TO THE SUBDIVISION

Access to the subdivision is provided on a year-round basis by a public road designated as Mathis Ferry Road. Mathis Ferry Road is a two-lane, asphalt surface road. The width of the wearing surface is 24 feet.

The South Carolina Department of Transportation is responsible for improving and maintaining Mathis Ferry Road. You will not be responsible for any costs associated with maintaining this road (except to the extent that the taxes you pay are used to fund road maintenance and improvements). No improvements to the road are contemplated at the present time.

ACCESS WITHIN THE SUBDIVISION

Legal and physical access by conventional automobile to the lots within the subdivision is, or will be, provided on a year-round basis by public, two-lane roads with a wearing surface ranging from 18 to 25 feet, as shown on the recorded plat of the subdivision. The surface of the roads will be predominantly asphalt, although there may be narrow strips of cobblestone, brick or granite pavers used for special purposes or effects at various points. In addition, many of the lots will be served by alleys or "service lanes" permitting vehicular access to the rear of the lot. Such service lanes have or will have a wearing surface which is approximately 11 feet in width and comprised of 6 inches of crusher run.

We are responsible for constructing the roads within the subdivision. We will retain maintenance responsibility for the roads for approximately two years after completion of the roads, at which time we expect to dedicate them to the Town of Mt. Pleasant for perpetual maintenance, except that the I'On Assembly, Inc. will be responsible for maintenance of any cobblestone, granite or brick pavers within the public roads. The I'On Assembly, Inc. will also be responsible for maintaining the service lanes providing access to the rear of lots within the subdivision. We must post a one-year maintenance bond with the Town of Mt. Pleasant to assure that the roads and other infrastructure dedicated to it are adequately constructed.

You will not be responsible for any costs associated with construction or maintenance of the public roads, except to the extent that the property taxes you pay to the Town of Mt. Pleasant are used to fund road maintenance and improvements and except to the extent that the assessments you pay to the I'On Assembly, Inc. are used to maintain the cobblestone, granite or brick pavers within the public roads. You will not be responsible for any costs associated with

construction of the service lanes, but will pay assessments to the I'On Assembly, Inc. for your pro rata share of the costs of maintaining the service lanes.

We have posted a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the roads with Phase 1 of the subdivision. Construction of those roads has already begun. Prior to the conveyance of a lot in any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete roads with such phase.

The estimated completion dates for the construction of roads within the subdivision are as follows:

Phase	Estimated Starting Date	% of Construction Now Complete	Estimated Completion Date	Present Surface	Final Surface
1	8/1997	85%	11/1998	Asphalt/ base material	Asphalt
2	10/1998	0%	6/1999	N/A	Asphalt
3	10/1998	0%	11/1998	N/A	Asphalt
4	7/1999	0%	3/2000	N/A	Asphalt
5	3/2000	0%	11/2000	N/A	Asphalt
6	11/2000	0%	8/2001	N/A	Asphalt
7	8/2001	0%	5/2002	N/A	Asphalt

The table below identifies the distance (in miles) from the subdivision to nearby communities.

Community Name	Population	Distance over Paved Roads	Distance Over Unpaved Roads	Total Miles
Charleston (County Seat)	76,854	5 miles	0 miles	5 miles
Sullivan's Island	1,339	5 miles	0 miles	5 miles
Mt. Pleasant	38,056	0 miles	0 miles	0 miles

UTILITIES

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

WATER

Water is or will be supplied to the lots within the subdivision by a central water distribution system which is presently owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464.

Water mains are or will be extended in front of or adjacent to each lot.

The following chart indicates the current status of the construction of the central water distribution system:

WATER

Phase	Estimated Starting Date (Month & Year)	Percentage of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	8/1998
2	10/1998	0%	6/1999
3	10/1998	0%	11/1998
4	7/1999	0%	3/2000
5	3/2000	0%	11/2000
6	11/2000	0%	8/2001
7	8/2001	0%	5/2002

Mt. Pleasant Waterworks, which is a division of the Town of Mt. Pleasant government (or whose operations are regulated by the Town of Mt. Pleasant), has indicated that the central water supply system has a present capacity of 3.2 million gallons per day, 300 gallons per connection and that this is sufficient to serve the anticipated population of the subdivision.

THERE HAVE BEEN NO HYDROLOGICAL SURVEYS CONDUCTED TO CONFIRM THAT A SUFFICIENT WATER SUPPLY IS AVAILABLE TO SERVE THE SUBDIVISION.

Mt. Pleasant Waterworks has represented that the water available for the subdivision is tested for purity and content on a regular basis and meets all standards for a public water supply.

The timetable for extension of the central water system is based upon our plans and projections for an orderly expansion of the subdivision over a 7 to 8 year period and the seasons during which construction is feasible.

We are responsible for the construction of the water mains and distribution system to serve the subdivision and all costs associated with such construction. We have posted a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the water mains and distribution system to serve the lots within Phase 1 of the subdivision and such construction has already begun. Prior to the conveyance of a lot in any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the water mains and distribution system to serve lots in such phase.

All permits have been obtained from the proper agencies for the construction, use, and operation of the water mains and distribution system to serve the subdivision.

In addition to user fees, each purchaser will be responsible for paying a one-time connection fee to connect the dwelling on the lot to the central water system. Currently the cost to the purchaser per connection is $874. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the water system.

You will also be responsible for the construction of service lines to any improvements you build on your lot, plus the cost of water meters, cut-off valves, or other equipment which may be related to your water connection. The amount of these additional charges will vary depending upon the location of your lot and the location of the improvements on your lot.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central water system.

Individual water systems, such as a private well, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

SEWER

The subdivision will be served by a central sewer system. We are responsible for constructing the sewer mains, lift station and force main to permit the lots in the subdivision to connect to the central treatment plant. Sewer mains will be installed in front of, or adjacent to, each of the lots in the subdivision.

Construction of the sewer system improvements within the subdivision has begun and is completed to the lots in Phase 1A, which is approximately 11% of the lots in the subdivision. Installation of a force main to allow for expansion of the sewer system to other phases of the subdivision is scheduled for the Fall of 1998. We estimate that service will be completed to all

lots in the subdivision in stages over the next seven to eight years. The following chart indicates the estimated timetable for construction and service availability:

SEWER

Phase	Estimated Starting Date (Month/Year)	% of Construction Now Complete	Estimated Service Availability Date (Month/Year)
1	8/1997	100%	8/1998
2	10/1998	0%	6/1999
3	10/1998	0%	11/1998
4	7/1999	0%	3/2000
5	3/2000	0%	11/2000
6	11/2000	0%	8/2001
7	8/2001	0%	5/2002

The central sewer system will be owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464, (803) 884-9626. Mt. Pleasant Waterworks is a division of (or regulated and supervised by) the Town of Mt. Pleasant, South Carolina.

We have obtained the necessary permits for the construction of the central sewer system to serve the subdivision.

THE CENTRAL SEWER SYSTEM IS STILL UNDER CONSTRUCTION AND NOT PRESENTLY ABLE TO SERVE ALL LOTS BECAUSE SEWER MAINS HAVE NOT YET BEEN EXTENDED TO ALL LOTS. THE SEWER SYSTEM IS PRESENTLY COMPLETED TO SERVE APPROXIMATELY 80 LOTS.

Mt. Pleasant Waterworks has indicated that the sewage treatment facility is complete and has sufficient capacity to service all of the lots within the subdivision.

In addition to user fees, purchasers will be required to pay a one time connection fee to connect the dwelling on their lot to the central sewer system. The connection fee currently is $1,340. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the central sewer system.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central sewer system.

Individual sewage treatment systems, such as septic tanks, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

We are responsible for the construction of the sewer system improvements to serve the subdivision and all costs associated with such construction. We have posted a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the sewer system improvements to serve the lots within Phase 1 of the subdivision. Prior to the conveyance of a lot in any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the sewer system improvements to serve lots in such phase.

ELECTRICITY

Electricity is or will be provided by South Carolina Electric and Gas, a publicly regulated utility operating under the rules of the Public Service Commission of South Carolina. The primary electrical service lines will be extended in front of or adjacent to each lot.

Electrical service lines have not yet been extended to all lots in the subdivision. South Carolina Electric and Gas is responsible for installation of electrical service lines. Installation has begun and is expected to be completed in stages over the next 5 years.

The following chart sets forth the estimated starting dates and estimated service availability dates for each phase of the subdivision.

ELECTRIC SERVICE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	8/1998
2	10/1998	0%	6/1999
3	10/1998	0%	11/1998
4	7/1999	0%	3/2000
5	3/2000	0%	11/2000
6	11/2000	0%	8/2001
7	8/2001	0%	5/2002

You will not be responsible for any construction costs associated with extending the primary electrical service lines to the service point in front of or adjacent to your lot. You will be responsible for installing electrical lines within your lot boundaries and dwelling. At present, South Carolina Electric and Gas does not charge for such installation, but it may impose charges for installation in the future.

TELEPHONE

Telephone service will be available from BellSouth to serve each lot in the subdivision. Telephone service lines have been or will be extended in front of or adjacent to each lot.

Telephone service lines have not yet been extended to all lots in the subdivision. BellSouth is responsible for installation of telephone service lines. Installation has begun and is expected to be completed in stages over the next 5 years. The following chart sets forth the estimated starting dates and estimated service availability dates for each phase of the subdivision.

TELEPHONE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/97	100%	8/1998
2	10/98	0%	6/1999
3	10/98	0%	10/1998
4	7/99	0%	3/2000
5	3/2000	0%	11/2000
6	11/2000	0%	8/2001
7	8/2001	0%	5/2002

You will not be responsible for any construction costs associated with extending the telephone service lines to the service point in front of or adjacent to your lot. You will be responsible for the cost of installing service lines within your lot boundaries and dwelling. At present, BellSouth does not charge for such installation, but it may impose charges for such installation in the future.

FUEL OR OTHER ENERGY SOURCE

Natural gas service is not available to serve the subdivision at this time and we are not aware of any plans to extend natural gas service to the subdivision.

FINANCIAL INFORMATION

We experienced an operating loss during the last fiscal year. This may affect our ability to complete promised facilities and to discharge financial obligations.

As discussed earlier in this Property Report, we have we have posted bonds to provide financial assurances for completion of all streets and the central water and sewer system within the subdivision.

A copy of our audited financial statement for the period ending December 31, 1997, is available from us upon request.

LOCAL SERVICES

In this topic, we will discuss the availability of fire and public protection and the location of schools, medical care, shopping facilities, mail services and public transportation.

FIRE PROTECTION

Mt. Pleasant Fire Department provides fire protection services to the subdivision on a year round basis from a station located approximately 0.5 mile from the subdivision. Fire hydrants will be installed throughout the subdivision so that there is a fire hydrant within 300 feet of the front corner of each lot.

POLICE PROTECTION

Mt. Pleasant Police Department provides police protection services to the subdivision. The Police Department is located 0.5 mile from the subdivision.

SCHOOLS

James B. Edwards Elementary School, a public elementary school, is located 1.5 miles from the subdivision. Moultrie Middle School, a public intermediate school, is 2.3 miles from the subdivision. Wando High School, a public high school, is located 2 miles from the subdivision. School bus transportation will be available from within the subdivision to each of these schools.

HOSPITAL

The nearest available hospital is East Cooper Regional Hospital, located at 1200 Johnnie Dodds Boulevard, Mt. Pleasant, South Carolina 29464, approximately 1.2 miles from the subdivision.

Ambulance service is available through Charleston County Emergency Medical Service.

PHYSICIANS AND DENTISTS

The nearest physician's office is located at 900 Bowman Road, Mt. Pleasant, South Carolina, one mile from the subdivision, and the nearest dentist's office is located at 815 Lowcountry Boulevard, Mt. Pleasant, South Carolina, 0.1 mile from the subdivision.

SHOPPING FACILITIES

Shopping facilities are available in Mt. Pleasant, 0.6 mile from the subdivision.

MAIL SERVICE

The United States Postal Service provides mail service to the subdivision.

PUBLIC TRANSPORTATION

There is no public ground transportation within the subdivision and no public ground transportation to nearby towns. The closest bus stop is located on Houston Northcutt Boulevard, approximately 3/4 of a mile from the main entrance to the subdivision.

RECREATIONAL FACILITIES

Facility	% of Construction Now Complete	Estimated Date of Start of Construction (Month/Year)	Estimated Date Available for Use (Month/Year)	Financial Assurance of Completion	Buyer's Annual Cost or Assessments
PHASE 1					
Eastlake lake	75%	9/1997	11/1998	None	Part of annual HOA Assessment
Eastlake Boathouse	100%	4/1998	9/1998	None	Part of annual HOA Assessment
Canals	90%	11/1997	11/1998	None	Part of annual HOA Assessment
Sidewalks, paths and trails	50%	4/1998	11/1998	None	Part of annual HOA Assessment
Parks and Open Space	50%	4/1998	11/1998	None	Part of annual HOA Assessment
PHASE 2					
Creekside Park	0%	1/1999	9/1999	None	Part of annual HOA Assessment
Community Dock	0%	1/1999	9/1999	None	Part of annual HOA Assessment
Sidewalks, paths and trails	0%	1/1999	10/1999	None	Part of annual HOA Assessment
Parks and Open Space	0%	1/1999	10/1999	None	Part of annual HOA Assessment

Constructing the Facilities

We are responsible for construction of all of the recreational facilities described in the chart above. You will not be required to pay any costs of constructing these facilities.

Maintaining the Facilities

Upon completion of the recreational facilities described in the chart above, the I'On Assembly, Inc. will be responsible for their operation and maintenance. The annual cost to the lot owners to maintain, operate and insure the recreational facilities is or will be incorporated in the annual assessment which each owner pays to the I'On Assembly. Current owners association annual assessments are $400 per lot per year, but are subject to change as provided in the Declaration.

Transfer of the Facilities

The recreational facilities listed in the chart above shall, upon completion of construction, be conveyed to the I'On Assembly, Inc. by quitclaim deed free and clear of all monetary liens and encumbrances at no cost to the I'On Assembly or its members. Upon conveyance of these facilities to the I'On Assembly, Inc., it shall assume full responsibility for the costs of ownership, operation, and maintenance of the facilities conveyed to it. Such costs will increase the responsibilities of the I'On Assembly, Inc. and its board of trustees and could result in an increase in future assessments or special assessments payable by lot owners to the I'On Assembly, Inc.

Who May Use the Facilities

The recreational facilities listed in the chart above will be available for use by lot owners and other members of the I'On Assembly, Inc., including the developer, and their respective guests.

There may be additional recreational facilities in the subdivision which are not listed in the above chart and which will be privately owned and operated by a person or entity other than the I'On Assembly, Inc. The operation and use of, and access to, such facilities is not guaranteed and is subject to such terms and conditions and payment of such fees as the owner and operator of such facilities may establish from time to time. Any or all of such additional facilities may be operated as a private club for members and their guests. Membership in any such club may be subject to application, approval and availability, and payment of such initiation fees, dues and other charges as the owner/operator of the facility may establish and change in its sole discretion.

VARIOUS RECREATIONAL FACILITIES IN THE SUBDIVISION MAY BE OWNED AND OPERATED BY PERSONS OTHER THAN THE I'ON ASSEMBLY, INC. THERE IS NO GUARANTEE THAT ANY SUCH FACILITIES WILL BE AVAILABLE FOR USE BY LOT OWNERS. ANY OR ALL OF SUCH FACILITIES MAY BE OPERATED AS A PRIVATE CLUB FOR MEMBERS AND THEIR GUESTS. THERE IS NO ASSURANCE THAT YOU WILL BE ACCEPTED FOR MEMBERSHIP IN ANY SUCH PRIVATE CLUB IF YOU APPLY. IF ACCEPTED, THE COSTS OF SUCH A MEMBERSHIP MAY BE SUBSTANTIAL AND ARE IN ADDITION TO THE PURCHASE PRICE OF YOUR LOT. NO REFUND OF THE PURCHASE PRICE OF YOUR LOT WILL BE MADE IF YOU CANNOT OBTAIN A MEMBERSHIP. SINCE THE VALUE OF YOUR LOT MAY BE ADVERSELY AFFECTED BY YOUR INABILITY OR FAILURE TO OBTAIN A MEMBERSHIP, YOU SHOULD CAREFULLY CONSIDER YOUR PURCHASE OF A LOT IF IT IS BASED UPON YOUR PRESUMED ABILITY TO OBTAIN A MEMBERSHIP IN ANY PRIVATE CLUB AND TO USE ITS RECREATIONAL FACILITIES.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section, we will discuss the basic terrain of the subdivision, the climate of the region, and any nuisances or hazards affecting the subdivision.

GENERAL TOPOGRAPHY

The general topography of the land in the subdivision is coastal lowcountry. The elevation of the subdivision ranges between 7 to 25 feet above sea level with an average elevation of 19 feet above sea level. The major physical characteristics of the land in the subdivision include primarily fine loamy sands with excellent permeability. There are over two miles of marsh frontage and 300 feet of deep water frontage along Hobcaw Creek, and three existing man-made lakes covering approximately 24.6 acres. The headwaters of Molasses Creek and tributaries of Hobcaw Creek originate within the subdivision and traverse the property. Approximately 9% of the land within the subdivision is planned to be maintained as natural open space and 10% is planned to be developed parkland.

We are not aware of any steep slopes, rock outcroppings, unstable or expansive soil conditions, or other conditions which would necessitate the use of special construction techniques to build on or use any lot listed in this Property Report.

WATER COVERAGE

There are no lots or portions of lots listed in this Property Report that are covered by water at any time.

DRAINAGE AND FILL

We are not aware of any lots listed in this Property Report which will require draining or fill prior to being used for the purpose for which they are sold. If any lots should require draining or fill prior to being used for home construction, we will be responsible for taking any corrective action that may be required.

FLOOD PLAIN

All or portions of Lots 9-15, 18-27, CV-3, CV-4, CM-9, 137 and 138 of Phase 1 are within a designated flood zone. In addition, Phase 2 of the subdivision adjoins a tidal marsh and Lots 82-89, 102-119, 130 and 131 of Phase 2 are in a designated flood zone. Flood insurance is available and will be required in connection with financing of improvements to these lots. The

estimated cost of flood insurance on these lots is $395 per year for a $250,000 home with $50,000 coverage for contents and a $500 deductible.

FLOODING AND SOIL EROSION

We have developed and are in the process of implementing a program which provides, or will provide, controls for soil erosion, sedimentation and storm water for the subdivision. The program includes seeding or silt fencing all exposed areas in accordance with the guidelines of the Department of Health and Environmental Control (DHEC) and the Office of Ocean and Coastal Resource Management (OCRM). The program has been reviewed and approved by all appropriate federal, state and Town of Mt. Pleasant regulatory agencies.

Implementation of the program began in August 1997 when initial soil disturbance permits were issued and is expected to be completed by January 2000. We are obligated to comply with the program. Satisfactory completion of environmental controls is a pre-requisite to approval of a final subdivision plat for each sub-phase of the subdivision.

Prior to recording a conditional plat for any sub-phase of development, we are required to provide financial assurances to the Town of Mt. Pleasant for completion of infrastructure to serve that sub-phase. Environmental controls are an essential component of the infrastructure covered by those financial assurances. At this time, we have obtained conditional plat approval for Phase 1A, consisting of 50 lots; for Phase 1B, consisting of 30 lots; and for Phase 1C, consisting of 31 lots. We have posted a letter of credit from Wachovia National Bank in an amount equal to one and one-half times our engineer's estimate of work to be complete within each of those sub-phases.

NUISANCES

There are no known land uses or nuisances which may adversely affect the subdivision.

HAZARDS

We are not aware of any unusual safety factors which affect the subdivision, nor are we aware of any proposed plans for construction which may create a nuisance or safety hazard or adversely affect the subdivision.

Due to its proximity to the Atlantic Ocean, the subdivision is subject to the effects of hurricanes. It has been formally identified by the Federal Emergency Management Agency as an area subject to the frequent occurrence of natural hazards, including earthquakes.

The Town of Mt. Pleasant has a rating system for fire hazard based on equipment, response time, and general effectiveness. The subdivision has a fire rating of 3 on a scale of 1 to 9 (1 being highest).

CLIMATE

The average temperature ranges for the area in which the subdivision is located are as follows:

	Summer (June-August)	Winter (November-March)
High	90.2°	57.8°
Mean	81.5°	47.8°
Low	72.7°	37.7°

The average annual rainfall is 51.53 inches and the average annual snowfall is approximately 0 inches.

OCCUPANCY

No homes in the subdivision are occupied on a full- or part-time basis as of the date of this Property Report.

ADDITIONAL INFORMATION

In this section, we will discuss the property owners association, your liability for real estate taxes and assessments levied against subdivision lots, matters pertaining to the resale of the lots, equal opportunity in lot sales and the listing of lots within the subdivision.

PROPERTY OWNERS ASSOCIATION

I'On Assembly, Inc., the property owners association for the subdivision ("Assembly"), was formed as a South Carolina nonprofit corporation on June 4, 1998 and has been operational since that date. The incorporator was Vincent G. Graham, 516 Mathis Ferry Road, Mt. Pleasant, South Carolina 29464.

The developer holds a Founder membership in the Assembly until all lots planned for the subdivision have been conveyed to purchasers other than builders or February 9, 2018, whichever is later. As the Founder member, we have the right to exercise control over the Assembly by appointing, removing and replacing a majority of the members of the Assembly's governing board ("Board of Trustees") until the earlier of (i) the date as of which 75% of the total acreage of the property planned for inclusion in the subdivision has been conveyed to persons other than builders, or (ii) February 9, 2018, unless we voluntarily choose to relinquish such right earlier.

Actions which require a vote of the membership generally require approval of a specified percentage of the property owners and the consent of the Founder. In addition, as long as the Founder membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Trustees or any committee which we believe would tend to impair our rights or the rights of builders under the Declaration or the Assembly's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Assembly.

Membership in the Assembly is mandatory for every lot owner in the subdivision. If title to a lot is held in joint names, all owners of such lot share privileges and responsibilities of such membership.

Each lot owner is required to pay assessments to the Assembly. The annual General Assessment is currently $400 per lot. General Assessments cover the Assembly's annual operating costs. General Assessments may be adjusted each fiscal year by the Board of Trustees, subject to procedures set forth in the Declaration. The Board of Trustees may revise the budget and General Assessment from time to time and may retroactively budget and assess for any expenses incurred or shortfalls experienced by the Assembly. The Assembly may also levy Specific Area Assessments against the lots for costs of benefits or services which the Assembly might provide only within a specified area of the subdivision. The Assembly may also levy

assessments against the lot of an owner or resident who violates provisions of the Declaration or other governing documents.

The Assembly is responsible for management, operation and maintenance of the common properties; administering and enforcing the Declaration, the architectural standards known as the I'On Code, and the I'On Rules; making and amending the I'On Rules in accordance with the Declaration, and making or contracting for repairs, additions, and improvements to the common properties. It is also authorized, but not obligated, to contract for or provide services and facilities for the benefit of property owners and their lots, which might include such things as cable television service, security services, and landscape maintenance services, among other things.

In order to carry out these functions, the Assembly is authorized to adopt budgets and levy assessments against the property owners and their lots; open bank accounts, deposit funds received on behalf of the Assembly into such accounts, and use such funds to operate the Assembly; contract for insurance coverage for the Assembly; hire, compensate and fire personnel; purchase equipment, supplies and materials to be used by such personnel; and take specific enforcement action, including assessing monetary fines, suspending the right to vote and to use common properties; suspending services, exercising self-help, and bringing suit in court to enforce the governing documents. The Assembly has a duty to maintain books and records and to make them available to the members and their mortgagees.

Architectural control over the lots in the subdivision is exercised by the I'On Design Committee. We will appoint the members of the Design Committee as long as we own any property planned for inclusion in the subdivision. Thereafter, the Assembly's Board of Trustees will appoint the members of the Design Committee. The Assembly is authorized to enforce the architectural control provisions of the Declaration and the decisions of the I'On Design Committee.

There are no functions or services which we currently provide at no charge for which the Assembly may be required to assume responsibility in the future.

We believe the current level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Assembly to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet those obligations, it may be necessary for the Assembly to increase the assessments to be paid by property owners.

TAXES

You will be obligated to pay real property taxes on the lot after title to the lot is transferred to you. Real property taxes on the lot will be assessed by and paid to the Town of Mt.

Pleasant and Charleston County, South Carolina. For the 1998 tax year, real property taxes on property in the subdivision are assessed at a rate of $254.60 per $1,000 in assessed value of each residential lot and all structures located on the lot. The assessed value of a lot is currently 4% of the appraised value if the owner is a resident of Charleston County and 6% of the appraised value if the owner is not a resident of Charleston County.

There are currently no special taxes or tax assessments which affect the subdivision. The subdivision is not currently part of a special improvement district.

VIOLATIONS AND LITIGATION

OPPONENTS TO OUR REZONING OF THE PROPERTY COVERED BY THIS PROPERTY REPORT PETITIONED A REFERENDUM BY THE TOWN OF MT. PLEASANT, SOUTH CAROLINA TO RESCIND THE REZONING OF THE SUBDIVISION PROPERTY FOR RESIDENTIAL DEVELOPMENT. WE INSTITUTED A CIVIL ACTION IN THE CHARLESTON COUNTY COURT OF COMMON PLEAS. AFTER A RULING IN OUR FAVOR, THE TOWN OF MT. PLEASANT HAS WITHDRAWN FROM THE ACTION, BUT TWO CITIZENS JOINED IN THE LAWSUIT HAVE APPEALED THE TRIAL COURT'S ORDER. PRESENTLY, WE ARE PROCEEDING WITH DEVELOPMENT LAWFULLY AND PROPERLY UNDER THE EXISTING PD LAW.

RESALE OR EXCHANGE PROGRAM

Restrictions on the use of your lot have been discussed in the section of this Property Report entitled "Restrictions on the Use of Your Lot," above. Those restrictions which might hinder the lot owner in the resale of lots within the subdivision include the architectural approval and control provisions which limit or restrict the placement of signs within the subdivision.

Except in the case of certain exempt transfers, upon the transfer of title to a lot in the subdivision, the Declaration requires the transferring owner to pay a transfer fee to the I'On Trust, a South Carolina nonprofit corporation. Such transfer fee is in the amount of one tenth of one percent (.1%) of the total cost to the purchaser of the lot and any improvements on the lot, as such cost is indicated by the amount of tax imposed by Charleston County, South Carolina on th transfer of title. You are advised to review the provisions of Article X of the Declaration regarding the transfer fee carefully.

We have no program to assist you in the resale of your lot. We do not have any provision to allow you to exchange one lot for another.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We will not directly or indirectly discriminate against you on the basis of 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, in our rendering of services to lots, in requiring terms and conditions on lot sales and leases, or in any other manner.

LISTING OF LOTS

Below is a listing of the two hundred and forty-four (244) lots currently covered by this Property Report and intended for sale in the subdivision, as indicated on the referenced plats.

I'ON	
PLAT REFERENCE	LOTS NUMBERED
Phase 1 (76 lots)	
Phase 1A (21 lots)	11, 14, 15, 16, 18, 25, 27, 28, 37, 42, 44, 47-49, 61, 62, 64, 66-69
Phase 1B (26 lots)	137-145, 147-151, 154, 155, CM1, CM2, CM4, CM5, CM6, CM7, CM8, CM9, CV-1, CV-2
Phase 1C (29 lots)	50, 52-58, 70-81, 83-91
Phase 2 (135 lots)	1-135
Phase 3 (33 lots)	156-188

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

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

Cash Price of Lot ..... $_____
Finance Charge ..... $_____

Total ..... $_____

Estimated One-Time Charges

1. Water connection fee ..... $ 874.00
2. Sewer connection fee $1,340.00
3. Electric connection fee ..... $_____
4. Telephone service installation charge ..... $_____
5. Design review fees ..... $_____
6. Other (identify) ..... $_____

Total of estimated sales price and one-time charges ..... $_____

Estimated Monthly/Annual charge (exclusive of utility use fees)

1. Taxes -- Average unimproved lot after sale to purchaser ..... $_____
2. Dues and assessments ..... $ 400.00

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

The I'On Company, L.L.C., a South Carolina limited liability company

By: _____ (SEAL)
Vincent G. Graham
Its: Manager

on company LLC
Subdivision ID
30264

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

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

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

POC
Jo Anne P. ~~Stubblefield~~ Stubblefield
Last mod. 12/24/07

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Name of Subdivision: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

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 before you signed 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 any time within two (2) years from the date of signing.

Name of Subdivision:	I'On
Names of Developer:	The I'On Company, L.L.C., a South Carolina limited liability company
Date of This Report:	April 10, 2000

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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 in order 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 three hundred and two (302) lots in Charleston County, South Carolina. See page 33 for a listing of these lots. It is estimated that this subdivision will eventually contain approximately seven hundred and ninety-two (792) lots.

The developer of this subdivision is:

The I'On Company, L.L.C., a South Carolina limited liability company

159 Civitas Street

Mt. Pleasant, SC 29464

(843) 971-1662

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

A CONDITIONAL PLAT OF THE LOTS IN PHASE 4 OF THE SUBDIVISION HAS NOT YET BEEN APPROVED OR RECORDED, BUT MUST BE APPROVED AND RECORDED PRIOR TO CONVEYANCE OF THOSE LOTS . UNTIL A CONDITIONAL PLAT IS RECORDED FOR SUCH LOTS, THE DESCRIPTION OF SUCH LOTS CONTAINED IN THIS PROPERTY REPORT IS NOT LEGALLY ADEQUATE FOR CONVEYANCE OF SUCH LOTS.

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 does not give you legal title. You will not 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

If you decide to purchase a lot, you will sign a sales contract obligating you to pay for the lot entirely in cash (with or without obtaining your own financing) at the closing of the purchase and sale of the lot.

We will deliver a general warranty deed to the property to you within 180 days of execution of a sales contract. You will receive a general warranty deed at the closing of the purchase and sale of the lot.

Type of Deed

The transfer of title to all lots will be by a general warranty deed.

ENCUMBRANCES, MORTGAGES, AND LIENS

All lots described in the listing of lots on page 33 of this Property Report as "Assembly Lots" will be conveyed subject to the following blanket encumbrance.

(1) Declaration of Covenants, Conditions and Restrictions for I'On, recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Book C-297, at Page 282.

All lots described in the listing of lots on page 33 of this Property Report as "Commercial Lots" will be conveyed subject to the following blanket encumbrance:

(2) Declaration of Covenants, Conditions and Restrictions for I'On Square, to be recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina.

The lots in Phase 1 of the subdivision, as described in the listing of lots on page 33 of this Property Report, are also subject to the following blanket encumbrance:

(3) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company, dated August 12, 1997, in the original principal amount of $4,560,000.00, recorded August 12, 1997, in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book J-288 at Pages 611-618, as amended by that instrument recorded January 16, 1998 in Mortgage Book Z-295 at Page 363.

The lots in Phase 3 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(4) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated August 3, 1998, in the original principal amount of Nine Hundred and Forty Thousand Dollars ($940,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book N308, at Page 293.

The lots in Phase 2 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(5) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated March 22, 1999, in the original principal amount of Four Million Five Hundred Eighty Thousand Dollars ($4,580,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book F323, at Page 212.

The lots in Phase 4 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(6) Mortgage from The I'On Company, L.L.C. to Wachovia Bank, N.A. dated October 5, 1999, in the original principal amount of Two Million Dollars ($2,000,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book 335, at Page 366.

Release Provisions

The Mortgage described in item (3) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment of the greater of 61% of the gross sales price of the lot or the release price as stated in a separate I'On Development Loan Release Schedule agreed upon between us and the lender.

The Mortgage described in item (4) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment in the amount of Thirty-One Thousand One Hundred and Thirty-Four Dollars ($31,134.00) per lot to be released.

The Mortgage described in item (5) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon satisfaction of certain nonmonetary conditions relating to platting, zoning, and easements for development and the lender's receipt of payment in an amount equal to the greater of 76% percent of the net sales proceeds from the sale of the lot or the minimum release price for the lot set forth in Schedule A to such Mortgage.

The Construction Loan Agreement executed in connection with the Mortgage described in item (6) above, the terms of which are incorporated by reference in the Mortgage, contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon the lender's receipt of a release payment in the amount set forth on the release schedule attached to the Mortgage, provided the lender is reimbursed for any costs which it incurs in connection with the release.

The contract for the sale of each lot obligates us to request and obtain a release of such lot from the applicable Mortgages prior to or simultaneous with closing and transfer of title to such lot. Under the terms of each Mortgage, the lender's obligation to release its lien on a lot is conditioned upon there being no default under the terms of the Mortgage or the promissory note and security agreement referenced in the Mortgage at the time such release is requested. Prior to paying the purchase price for your lot at closing, you should confirm that all releases have been obtained.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Under South Carolina law, recording a sales contract places third parties on notice that the subject property is under contract for sale and may protect you from claims of subsequent purchasers or creditors claiming an interest in the lot. However, South Carolina law does not require that sales contracts be recorded and it is not common practice to do so. The sales contract is not in proper form for recording and will not be recorded. By not recording sales contracts, we avoid creating a defect in title to the lot in the event that the sales contract is terminated and the transaction is not completed for any reason.

> 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.

The deed to your lot will be recorded. In accordance with the South Carolina Code of Laws (1976), we will deliver the deed for your lot to the Office of the Register of Mesne Conveyances for Charleston County, South Carolina, for recording immediately following the closing. Under South Carolina law, recording a deed protects you from subsequent claims by third parties whose interest arises after the date of recording of the deed.

Title Insurance

You should obtain an attorney's opinion of title or title insurance policy which describes the rights of ownership you are acquiring in the lot you purchase. We recommend that an appropriate professional interpret the policy for you.

PAYMENTS

Escrow

Your earnest money deposit will be placed in an escrow account administered by I'On Realty, L.L.C., a South Carolina limited liability company, whose address is 159 Civitas Street, Mt. Pleasant, South Carolina 29464. I'On Realty, L.L.C. is a real estate broker licensed by the State of South Carolina and, as such, is required to comply with state laws and regulations regarding administration of escrow and trust accounts by real estate brokers.

I'On Realty, L.L.C. is a wholly owned subsidiary of The I'On Company, L.L.C. I'On Realty, L.L.C., as a real estate broker entitled to a commission from the sale of a lot, also has an interest in the transaction itself and thus, is not considered independent. You may lose your deposit on your lot if we fail to deliver legal title to you as called for in the contract, because it is not held in an escrow account which fully protects you.

Prepayment

If the purchase of your lot is financed by an independent financial institution, you will need to review the financing documents to determine whether there is any penalty for prepayment of the financing.

Default

The contract for sale specifies the rights and remedies which we may seek in the event you fail to make any payment or perform any obligation required by the contract prior to closing. If you default, we will give you written notice of the default and allow you at least 10 days from your receipt of that notice in which to correct the default. If you default in your obligations under the sales contract prior to closing, we may treat the contract as canceled and retain all monies you have paid as liquidated damages.

If you default in the performance of your obligations under the sales contract after the date of closing, we may elect to pursue any and all remedies available to us at law or in equity.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive covenants have been recorded or will be recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina against each lot covered by this Property Report prior to its conveyance. Those lots identified in the listing of lots on page 33 as Assembly Lots will be subject to the restrictive covenants contained in the deed of conveyance and in the Declaration of Covenants, Conditions and Restrictions for I'On ("Assembly Declaration"). I'On Assembly, Inc. ("Assembly"), a mandatory membership property owners association, is charged with administering and enforcing the Assembly Declaration. Each purchaser of an Assembly Lot automatically becomes a member of the Assembly upon taking title to the lot and will remain a member as long as the purchaser owns the lot.

The restrictive covenants contained in the Assembly Declaration are described in the following paragraphs. The discussion only highlights the restrictions contained in the Assembly Declaration and should not be a substitute for your careful study of the document.

The Assembly Lots are subject to architectural controls and design standards. The Assembly Declaration requires, among other things, that a purchaser of a lot secure approval of the I'On Design Committee prior to improving a lot or making any additions or modifications to the exterior of existing improvements. The I'On Design Committee may establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work on an Assembly Lot must comply with the I'On Code, the document which sets forth the design standards for property in the subdivision, unless the I'On Design Committee has granted a variance in writing. Compliance with the I'On Code is a covenant undertaken by each purchaser of a lot subject to the Assembly Declaration.

In reviewing plans and specifications for proposed work, the I'On Design Committee is guided by the I'On Code, but the I'On Code is not the exclusive basis for its decisions and compliance with the I'On Code does not guarantee approval. The I'On Design Committee may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction has not commenced on proposed work within six months after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the I'On Design Committee, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The Assembly Lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The Assembly Lots are also subject to certain use restrictions referred to in the Assembly Declaration as the I'On Rules. The initial I'On Rules are set out in Exhibit D to the Assembly Declaration and include restrictions on parking commercial and residential vehicles, boats and trailers; pets; television antennas, satellite dishes, radio receivers, and similar devices; trash and refuse containers; and signs. Additional restrictions may be established by the Board of Trustees of I'On Assembly, Inc., pursuant to its authority granted in the Assembly Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct in the subdivision. Such additions and changes to the I'On Rules need not be recorded.

A complete copy of these restrictions is available upon request.

The lots identified in the listing of lots on page 33 as Commercial Lots will be conveyed subject to the Declaration of Covenants, Conditions and Restrictions for I'On Square ("Commercial Declaration"). I'On Square Association, Inc.. ("Association"), a mandatory membership property owners association, is charged with administering and enforcing the Commercial Declaration. Each purchaser of a Commercial Lot automatically becomes a member of the Association upon taking title to the lot and will remain a member as long as the purchaser owns the lot.

The restrictive covenants contained in the Commercial Declaration are described in the following paragraphs. The discussion only highlights the restrictions and should not be a substitute for careful study of the Commercial Declaration, if applicable to the lot you are purchasing.

The Commercial Declaration contains architectural controls and design standards applicable to the Commercial Lots. Among other things, it requires that a purchaser of a lot secure approval prior to improving a lot or making any additions or modifications to the exterior of existing improvements. It authorizes the reviewer to establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work on a Commercial Lot must comply with architectural guidelines adopted pursuant to the Commercial Declaration, unless the reviewer has granted a variance in writing. Compliance with these standards is a covenant undertaken by each purchaser of a commercial lot. In reviewing plans and specifications for proposed work, the reviewer is guided by the architectural standards, but they are not the exclusive basis for its decisions and compliance with those standards does not guarantee approval. The reviewer may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction on a Commercial Lot has not commenced on proposed work within one year after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the reviewer, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The Commercial Lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The Commercial Lots are also subject to certain use restrictions referred to in the Commercial Declaration as the Restrictions and Rules. The initial Restrictions and Rules are set out in Exhibit C to the Commercial Declaration and include restrictions and limitations on residential use, office use and other specific types of uses, as well as restrictions on activities such as parking, outdoor storage of goods, materials, or equipment, and conditions such as antennaes and similar devices; trash and refuse containers; and signs, among other things. The Restrictions and Rules restrict use of the street level of each Commercial Lot to use for operation of a restaurant, retail or neighborhood business whose goods or services are primarily marketed to the general public (i.e., retail consumers as opposed to other businesses, nonprofit organizations, or government agencies. The Board of Directors or members of the Association may establish additional rules and restrictions pursuant to the authority granted in the Commercial Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct. Such additions and changes to the Restrictions and Rules need not be recorded.

A complete copy of these restrictions is available upon request. As of the effective date of this Statement of Record, the Commercial Declaration has not been recorded, although we intend to record it against each Commercial Lot prior to conveying the Commercial Lot. Unless and until it is recorded against each Commercial Lot, there is no assurance that it will be applied uniformly and it may be difficult to enforce. The Commercial Declaration subject to change by us prior to recording and thereafter in accordance with the amendment provisions set forth in the Commercial Declaration.

Easements

There are easements which may affect your plans for building or using your lot. There are drainage, access and utility easements which affect the lots covered by the Property Report as shown or to be shown on the recorded plats. There are also easements applicable to the Assembly Lots that are described in the Declaration and easements applicable to the Commercial Lots that are described in the Commercial Declaration .

Article V of the Declaration and Article VII of the Commercial Declaration set forth certain easements for access by public safety officers and other public servants in the performance of their duties and easements for encroachments, maintenance, and utilities. The Declaration also provides for the creation of additional easements for conservation, wetlands buffering, landscaping and similar purposes, by other recorded instruments. You are advised to read Article V of the Declaration and Article VII of the Commercial Declaration carefully for an understanding of the nature and scope of these easements.

The lots covered by this Property Report are not subject to any type of flood control or flowage easements.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

A final plat covering the lots in Phase 1A of the subdivision, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book EC at Page 631. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

Final plats covering the lots in Phase 1B of the subdivision, as described on page 33 of this Property Report, have been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyancse of Charleston County, South Carolina in Plat Book EC at Pages 976-977 and in Plat Book ED at Page 228 . The descriptions of the lots on such plats are legally adequate for the conveyance of the lots.

Final plats covering the lots in Phase 1C of the subdivision, as described on page 33 of this Property Report, have been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 225 and in Plat Book ED at Page 227 . The descriptions of the lots on such plats are legally adequate for the conveyance of the lots.

A final plat covering the lots in Phase 3 of the subdivision, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 328. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 2, Subphases A-E of the subdivision (exclusive of the areas in Subphase 2B labeled "Future Development"), as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Pages 108-109. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 2, Subphase IIB (Future Development Parcels) and Subphase F, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 670. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plats of the lots in Phase 4 of the subdivision has not yet been approved or recorded, but must be approved and recorded prior to conveyance of those lots. Until either a conditional or final plat is recorded for particular lots, the description of the lot contained in this Property Report is not legally adequate for conveyance of such lot.

Zoning

All lots described on page 33 of this Property Report are designated for single-family residential use except those lots identified by the designation "CM" or "CV" before the lot number, which are designated for commercial or civic purposes, respectively. These uses conform to local zoning requirements and the restrictive covenants pertaining to the subdivision.

Surveying

Each lot has been or will be surveyed at our expense and identified on a recorded plat prior to conveyance. Pins will be set on the corners of each lot to physically mark the lot boundaries.

Permits

Before beginning construction on a lot, the purchaser must obtain approval of the plans for the proposed improvements, as discussed under the caption "Restrictive Covenants" above. In addition, the purchaser must obtain a building permit from the Town of Mt. Pleasant, South Carolina before commencing construction. Upon completion of construction, the purchaser must obtain a certificate of occupancy from the Town of Mt. Pleasant before the dwelling or other structure may be occupied. No other governmental permits will be necessary in order to use the lot for such purposes as are permitted by applicable zoning and recorded covenants and restrictions.

Environment

No independent environmental impact study has been required or conducted for the subdivision. Thus, no determination has been made as to all of the possible adverse effects the subdivision may have upon the environment and surrounding area.

In connection with our subdivision approval by the Town of Mt. Pleasant, we prepared an impact assessment which addresses the impact of the subdivision in a number of specific areas, including its impact on the environment. The assessment describes the following plans to mitigate any detrimental effect on the environment.

The subdivision has 2,488 linear feet of frontage along a section of Mathis Ferry Road designated as a South Carolina Scenic Highway in June 1988. In order to maintain and enhance the screening effect of the existing live oak canopy along this highway, we plan to provide a 25 foot wide natural buffer along the entire frontage, work with the South Carolina Department of Transportation and the Town of Mt. Pleasant to replant live oaks where trees have died or been removed, and utilize understated brick columns and minimal signage to designate entryways to the subdivision.

The subdivision currently drains overland to three lakes on the property, a large wetland at the headwaters of Molasses Creek, and the adjacent salt marshes. We plan to make extensive use of the three lakes and the existing freshwater wetlands to limit storm water runoff to pre-

development rates and contain non-point runoff from entering the salt marsh. An extensive park system planned along the highlands above the marshes and waters of Hobcaw Creek, together with other management practices, will serve a dual purpose of providing storm water control and serving as an amenity for residents.

The subdivision has over 2 miles of marsh and deep water frontage along Hobcaw Creek and 1.46 miles of frontage along the lakes mentioned above. The U. S. Army Corps of Engineers has delineated and approved the critical line along the marshes and waters of Hobcaw Creek and the freshwater wetlands within the subdivision. Rather than subdividing this premium frontage into lots, over 75% of the marsh, water frontage and lake frontage is planned as parks. One of the three lakes will be preserved as a wildlife sanctuary.

ROADS

Here we discuss the roads which lead to the subdivision, the roads within the subdivision, and the location of nearby communities.

ACCESS TO THE SUBDIVISION

Access to the subdivision is provided on a year-round basis by a public road designated as Mathis Ferry Road. Mathis Ferry Road is a two-lane, asphalt surface road. The width of the wearing surface is 24 feet.

The South Carolina Department of Transportation is responsible for improving and maintaining Mathis Ferry Road. You will not be responsible for any costs associated with maintaining this road (except to the extent that the taxes you pay are used to fund road maintenance and improvements). No improvements to the road are contemplated at the present time.

ACCESS WITHIN THE SUBDIVISION

Legal and physical access by conventional automobile to the lots within the subdivision is, or will be, provided on a year-round basis by public, two-lane roads with a wearing surface ranging from 17 to 30 feet, as shown in The I'On Code (a part of the zoning ordinance approving the development plan for the subdivision) and on the recorded plats of the subdivision. The surface of the roads will be predominantly asphalt, although there may be narrow strips of cobblestone, brick or granite pavers used for special purposes or effects at various points. In addition, many of the lots will be served by alleys or "service lanes" permitting vehicular access to the rear of the lot. Such service lanes have or will have a wearing surface which is approximately 9 feet in width and comprised of asphalt, a pervious paving material such as crusher run, or a combination thereof.

We are responsible for constructing the roads within the subdivision and will dedicate each road or portion thereof shown on a recorded final plat to the Town of Mt. Pleasant upon recording of the final plat. We will retain maintenance responsibility for the roads for approximately two years after completion of the roads, except that the I'On Assembly, Inc. or the I'On Square Association, Inc. will be responsible for maintenance of any cobblestone, granite or brick pavers within the public roads. The I'On Assembly, Inc. will also be responsible for maintaining the service lanes providing access to the rear of Assembly Lots within the subdivision. The I'On Square Association, Inc. will be responsible for maintaining the service lanes, if any, providing access to the rear of the Commercial Lots.

You will not be responsible for any costs associated with construction or maintenance of the public roads, except to the extent that the property taxes you pay to the Town of Mt. Pleasant are used to fund road maintenance and improvements and except to the extent that the

assessments you pay to the I'On Assembly, Inc. or the I'On Square Association, Inc., are used to maintain the cobblestone, granite or brick pavers within the public roads. You will not be responsible for any costs associated with construction of the service lanes, but will pay assessments to the I'On Assembly, Inc. or the I'On Square Association, Inc. for your pro rata share of the costs of maintaining the service lanes.

The roads in Phases 1, 2 and 3 of the subdivision are complete. Prior to the conveyance of a lot inPhase 4, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete roads within such phase.

The estimated completion dates for the construction of roads within the subdivision are as follows:

Phase	Estimated Starting Date	% of Construction Now Complete	Estimated Completion Date	Present Surface	Final Surface
1	8/1997	100%	N/A	Asphalt	Asphalt
2	3/1999	100%	N/A	Asphalt	Asphalt
3	10/1998	100%	N/A	Asphalt	Asphalt
4	12/1999	10%	8/2000	Dirt	Asphalt

The table below identifies the distance (in miles) from the subdivision to nearby communities.

Community Name	Population	Distance over Paved Roads	Distance Over Unpaved Roads	Total Miles
Charleston (County Seat)	76,854	5 miles	0 miles	5 miles
Sullivan's Island	1,339	5 miles	0 miles	5 miles
Mt. Pleasant	38,056	0 miles	0 miles	0 miles

UTILITIES

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

WATER

Water is or will be supplied to the lots within the subdivision by a central water distribution system which is presently owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464.

Water mains are or will be extended in front of or adjacent to each lot.

The following chart indicates the current status of the construction of the central water distribution system for each existing phase of the subdivision:

WATER

Phase	Estimated Starting Date (Month & Year)	Percentage of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	Now Available
2	7/1999	100%	Now Available
3	10/1998	100%	Now Available
4	6/2000	0%	8/2000

Mt. Pleasant Waterworks, which is a division of the Town of Mt. Pleasant government (or whose operations are regulated by the Town of Mt. Pleasant), has indicated that the central water supply system has a present capacity of 3.2 million gallons per day, 300 gallons per connection and that this is sufficient to serve the anticipated population of the subdivision.

THERE HAVE BEEN NO HYDROLOGICAL SURVEYS CONDUCTED TO CONFIRM THAT A SUFFICIENT WATER SUPPLY IS AVAILABLE TO SERVE THE SUBDIVISION.

Mt. Pleasant Waterworks has represented that the water available for the subdivision is tested for purity and content on a regular basis and meets all standards for a public water supply.

The timetable for extension of the central water system is based upon our plans and projections for an orderly expansion of the subdivision over a 7 to 8 year period and the seasons during which construction is feasible.

We are responsible for the construction of the water mains and distribution system to serve the subdivision and all costs associated with such construction. Construction of the water mains and distribution system to serve the lots within Phases 1, 2 and 3 of the subdivision is complete. Prior to the conveyance of a lot in Phase 4 or any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the water mains and distribution system to serve lots in such phase, if not then completed.

All permits have been obtained from the proper agencies for the construction, use, and operation of the water mains and distribution system to serve the lots covered in this Property Report.

In addition to user fees, each purchaser will be responsible for paying a one-time connection fee to connect the building on the lot to the central water system. Currently the cost to the purchaser per connection is $874. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the water system.

You will also be responsible for the construction of service lines to any improvements you build on your lot, plus the cost of water meters, cut-off valves, or other equipment which may be related to your water connection. The amount of these additional charges will vary depending upon the location of your lot and the location of the improvements on your lot.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central water system.

Individual water systems, such as a private well, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

SEWER

The subdivision will be served by a central sewer system. We are responsible for constructing the sewer mains, lift station and force main to permit the lots in the subdivision to connect to the central treatment plant. Sewer mains will be installed in front of, or adjacent to, each of the lots in the subdivision.

Construction of the sewer system improvements within the subdivision has begun and is completed to the lots in Phases 1, 2 and 3, which is approximately 83% of the lots covered in this Property Report. Installation of a force main and pump station to allow for expansion of the sewer system to other phases of the subdivision is complete. We estimate that service will be completed to all lots in the subdivision in stages over the next seven to eight years. The

following chart indicates the estimated timetable for construction and service availability for each existing phase of the subdivision:

SEWER

Phase	Estimated Starting Date (Month/Year)	% of Construction Now Complete	Estimated Service Availability Date (Month/Year)
1	8/1997	100%	Now Available
2	6/1999	100%	Now Available
3	10/1998	100%	Now Available
4	2/2000	70%	7/2000

The central sewer system will be owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464, (843) 884-9626. Mt. Pleasant Waterworks is a division of (or regulated and supervised by) the Town of Mt. Pleasant, South Carolina.

We have obtained the necessary permits for the construction of the central sewer system to serve the subdivision.

THE CENTRAL SEWER SYSTEM IS STILL UNDER CONSTRUCTION AND NOT PRESENTLY ABLE TO SERVE ALL LOTS BECAUSE SEWER MAINS HAVE NOT YET BEEN EXTENDED TO ALL LOTS. THE SEWER SYSTEM IS PRESENTLY COMPLETED TO SERVE APPROXIMATELY 307 LOTS.

Mt. Pleasant Waterworks has indicated that the sewage treatment facility is complete and has sufficient capacity to service all of the lots within the subdivision.

In addition to user fees, purchasers will be required to pay a one time connection fee to connect the structure on their lot to the central sewer system. The connection fee currently is $1,340. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the central sewer system.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central sewer system.

Individual sewage treatment systems, such as septic tanks, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

We are responsible for the construction of the sewer system improvements to serve the subdivision and all costs associated with such construction.Construction of such improvements is complete to serve the lots in Phases 1, 2 and 3 of the subdivision. Prior to the conveyance of a lot in Phase 4 or any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete sewer system improvements to serve lots in such phase.

ELECTRICITY

Electricity is or will be provided by South Carolina Electric and Gas, a publicly regulated utility operating under the rules of the Public Service Commission of South Carolina. The primary electrical service lines will be extended in front of or adjacent to each lot.

Electrical service lines have not yet been extended to all lots in the subdivision. South Carolina Electric and Gas is responsible for installation of electrical service lines. Installation has begun and is expected to be completed in stages over the next 8 years.

The following chart sets forth the estimated starting dates and estimated service availability dates for each existing phase of the subdivision.

ELECTRIC SERVICE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	Now Available
2	1/1999	60%	7/2000
3	10/1998	100%	Now Available
4	6/2000	0%	7/2000

You will not be responsible for any construction costs associated with extending the primary electrical service lines to the service point in front of or adjacent to your lot. You will be responsible for installing electrical lines within your lot boundaries and structures on your lot. At present, South Carolina Electric and Gas does not charge for such installation, but it may impose charges for installation in the future.

TELEPHONE

Telephone service will be available from BellSouth to serve each lot in the subdivision. Telephone service lines have been or will be extended in front of or adjacent to each lot.

Telephone service lines have not yet been extended to all lots in the subdivision. BellSouth is responsible for installation of telephone service lines. Installation has begun and is expected to be completed in stages over the next 5 years. The following chart sets forth the estimated starting dates and estimated service availability dates for each existing phase of the subdivision.

TELEPHONE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/97	100%	Now Available
2	10/98	40%	5/2000
3	10/98	100%	Now Available
4	7/99	0%	9/2000

You will not be responsible for any construction costs associated with extending the telephone service lines to the service point in front of or adjacent to your lot. You will be responsible for the cost of installing service lines within your lot boundaries and structures on your lot. At present, BellSouth does not charge for such installation, but it may impose charges for such installation in the future.

FUEL OR OTHER ENERGY SOURCE

Natural gas service is not available to serve the subdivision at this time and we are not aware of any plans to extend natural gas service to the subdivision.

FINANCIAL INFORMATION

A copy of our audited financial statement for the period ending December 31, 1998, along with an interim unaudited statement as of November 30, 1999, is available from us upon request.

LOCAL SERVICES

In this topic, we will discuss the availability of fire and police protection and the location of schools, medical care, shopping facilities, mail services and public transportation.

FIRE PROTECTION

Mt. Pleasant Fire Department provides fire protection services to the subdivision on a year round basis from a station located approximately 0.5 mile from the subdivision. Fire hydrants will be installed throughout the subdivision so that there is a fire hydrant within 300 feet of the front corner of each lot.

Statewide standards for water pressure (measured in gallons per minute) call for a minimum of 500 gpm. However, as part of an effort to preserve Mount Pleasant's high ISO rating, the Mount Pleasant Fire Department has imposed a minimum requirement for properties in Mount Pleasant of 1000 gpm. For structures with over 3000 square feet of floor area, the minimum required water pressure is determined by a formula. If the closest fire hydrant cannot reach those flow minimums for the structures on your lot, you must install a sprinkler system. We anticipate that most structures with more than 3000 square feet of floor area built on lots in Phase 2 in the area from around East Shipyard Road north to Hobcaw Creek will need sprinkler systems.

POLICE PROTECTION

Mt. Pleasant Police Department provides police protection services to the subdivision. The Police Department is located 0.5 mile from the subdivision.

SCHOOLS

James B. Edwards Elementary School, a public elementary school, is located 1.5 miles from the subdivision. Moultrie Middle School, a public intermediate school, is 2.3 miles from the subdivision. Wando High School, a public high school, is located 2 miles from the subdivision. School bus transportation will be available from within the subdivision to each of these schools.

HOSPITAL

The nearest available hospital is East Cooper Regional Hospital, located at 1200 Johnnie Dodds Boulevard, Mt. Pleasant, South Carolina 29464, approximately 1.2 miles from the subdivision.

Ambulance service is available through Charleston County Emergency Medical Service.

PHYSICIANS AND DENTISTS

The nearest physician's office is located at 900 Bowman Road, Mt. Pleasant, South Carolina, one mile from the subdivision, and the nearest dentist's office is located at 815 Lowcountry Boulevard, Mt. Pleasant, South Carolina, 0.1 mile from the subdivision.

SHOPPING FACILITIES

Shopping facilities are available in Mt. Pleasant, 0.6 mile from the subdivision.

MAIL SERVICE

The United States Postal Service provides mail service to the subdivision. Mail delivery may be provided to a central location or locations within the subdivision, rather than to individual lots.

PUBLIC TRANSPORTATION

There is no public ground transportation within the subdivision and no public ground transportation to nearby towns. The closest bus stop is located on Houston Northcutt Boulevard, approximately 3/4 of a mile from the main entrance to the subdivision.

RECREATIONAL FACILITIES

Facility	% of Construction Now Complete	Estimated Date of Start of Construction (Month/Year)	Estimated Date Available for Use (Month/Year)	Financial Assurance of Completion	Buyer's Annual Cost or Assessments
PHASE 1					
Eastlake Park and lake	100%	9/1997	Now Available	None	Part of annual assessment
Eastlake Boathouse	100%	4/1998	Now Available	None	Part of annual assessment
Canals	100%	11/1997	Now Available	None	Part of annual assessment
Sidewalks, paths and trails	95%	4/1998	4/2000	None	Part of annual assessment
Parks and Open Space	95%	4/1998	4/2000	None	Part of annual assessment
PHASE 2					
Marshwalk (park)	50%	2/2000	6/2000	None	Part of annual assessment
Community Docks	50%	1/2000	9/2000	None	Part of annual assessment
Sidewalks, paths and trails	100%	8/1999	Now Available	None	Part of annual assessment
Parks and Open Space	70%	2/2000	/7/2000	None	Part of annual assessment

PHASE 3					
Sidewalks	100%	2/2000	Now available	None	Part of property taxes paid to Town of Mt. Pleasant

Constructing the Facilities

We are responsible for construction of all of the recreational facilities described in the chart above. You will not be required to pay any costs of constructing these facilities.

Maintaining the Facilities

I'On Assembly, Inc. will be responsible for operation and maintenance of the recreational facilities described in the chart above, except as follows. Sidewalks will be maintained by the Town of Mt. Pleasant. The community dock will be owned, operated and maintained by I'On Club, L.L.C., subject to an easement for use and access by members of I'On Assembly, Inc. as set forth in a recorded easement agreement between I'On Assembly, Inc. and I'On Club, L.L.C. Such easement agreement obligates the Assembly to pay a share of the costs of maintaining and operating the community dock, as well as any adjacent boat ramp and parking area made available for use by members of I'On Assembly, Inc.

The annual cost to the owners of Assembly Lots to maintain, operate and insure the recreational facilities is or will be incorporated in the annual assessment which each such owner pays to I'On Assembly, Inc. Current owners association annual assessments are $400 per lot per year, but are subject to change as provided in the Declaration. Owners of Commercial Lots will have no right to use the recreational facilities owned by I'On Assembly, Inc. or I'On Club, L.L.C., and thus, will not be subject to assessment by I'On Assembly, Inc. for the costs associated with those recreational facilities.

Transfer of the Facilities

The recreational facilities listed in the chart above, other than the sidewalks and community dock, shall, upon completion of construction, be conveyed to I'On Assembly, Inc. by quitclaim deed free and clear of all monetary liens and encumbrances at no cost to I'On Assembly, Inc. or its members. Upon conveyance of these facilities to the I'On Assembly, Inc., it shall assume full responsibility for the costs of ownership, operation, and maintenance of the facilities conveyed to it. Such costs will increase the responsibilities of the I'On Assembly, Inc. and its board of trustees and could result in an increase in future assessments or special assessments payable to the I'On Assembly, Inc. by owners of Assembly Lots.

Who May Use the Facilities

The recreational facilities listed in the chart above will be available for use by owners and occupants of the Assembly Lots and other members of the I'On Assembly, Inc., including the developer, and their respective guests. In addition, the community dock, the Eastlake lake and boathouse, and certain parks will be available for use by such club members and others (which may include members of the general public) as I'On Club, L.L.C. may designate from time to time pursuant to the easement agreement referenced above. The recreational facilities are not available for use by owners or occupants of the Commercial Lots except to the extent that I'On Club, L.L.C. may authorize such use.

There may be additional recreational facilities in the subdivision which are not listed in the above chart and which will be privately owned and operated by a person or entity other than the I'On Assembly, Inc. The operation and use of, and access to, such facilities is not guaranteed and is subject to such terms and conditions and payment of such fees as the owner and operator of such facilities may establish from time to time. Any or all of such additional facilities may be operated as a private club for members and their guests. Membership in any such club may be subject to application, approval and availability, and payment of such initiation fees, dues and other charges as the owner/operator of the facility may establish and change in its sole discretion.

VARIOUS RECREATIONAL FACILITIES IN THE SUBDIVISION MAY BE OWNED AND OPERATED BY PERSONS OTHER THAN THE I'ON ASSEMBLY, INC. ANY OR ALL OF SUCH FACILITIES MAY BE OPERATED AS A PRIVATE CLUB FOR MEMBERS AND THEIR GUESTS. THERE IS NO ASSURANCE THAT YOU WILL BE ACCEPTED FOR MEMBERSHIP IN ANY SUCH PRIVATE CLUB IF YOU APPLY. IF ACCEPTED, THE COSTS OF SUCH A MEMBERSHIP MAY BE SUBSTANTIAL AND ARE IN ADDITION TO THE PURCHASE PRICE OF YOUR LOT. NO REFUND OF THE PURCHASE PRICE OF YOUR LOT WILL BE MADE IF YOU CANNOT OBTAIN A MEMBERSHIP. SINCE THE VALUE OF YOUR LOT MAY BE ADVERSELY AFFECTED BY YOUR INABILITY OR FAILURE TO OBTAIN A MEMBERSHIP, YOU SHOULD CAREFULLY CONSIDER YOUR PURCHASE OF A LOT IF IT IS BASED UPON YOUR PRESUMED ABILITY TO OBTAIN A MEMBERSHIP IN ANY PRIVATE CLUB AND TO USE ITS RECREATIONAL FACILITIES.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section, we will discuss the basic terrain of the subdivision, the climate of the region, and any nuisances or hazards affecting the subdivision.

GENERAL TOPOGRAPHY

The general topography of the land in the subdivision is coastal lowcountry. The elevation of the subdivision ranges between 7 to 25 feet above sea level with an average elevation of 19 feet above sea level. The major physical characteristics of the land in the subdivision include primarily fine loamy sands with excellent permeability. There are over two miles of marsh frontage and 300 feet of deep water frontage along Hobcaw Creek, and three existing man-made lakes covering approximately 24.6 acres. The headwaters of Molasses Creek and tributaries of Hobcaw Creek originate within the subdivision and traverse the property. Approximately 9% of the land within the subdivision is planned to be maintained as natural open space and 10% is planned to be developed parkland.

We are not aware of any steep slopes, rock outcroppings, unstable or expansive soil conditions, or other conditions which would necessitate the use of special construction techniques to build on or use any lot listed in this Property Report.

WATER COVERAGE

There are no lots or portions of lots listed in this Property Report that are covered by water at any time.

DRAINAGE AND FILL

Before a building can be constructed on a lot in the subdivision, it will be necessary to strip the organic topsoil from that portion of the lot lying within the building footprint and replace it with structural fill in accordance with standard construction practices. We are not aware of any lots listed in this Property Report which will require draining or significant fill prior to being used for the purpose for which they are sold. If any lots should require draining or anything more than standard structural fill prior to being used for building construction, we will be responsible for taking any corrective action that may be required.

FLOOD PLAIN

All or portions of Lots CM-9, 137 and 138 of Phase 1 are within a designated flood zone. In addition, Phase 2 of the subdivision adjoins a tidal marsh and Lots 270-276, 278-284, 294-297, 253-259, and CV-6, and Lots 192-194, 195A, 195B, 195C and 195D of Phase 2 are in a designated A7 flood zone. All or portions of Lots 156-170 of Phase 3 are in a designated A7

flood zone. All or portions of Lots 327-329, 331-341, 351-353 and CV-7 of Phase 4 are in a designated A7 flood zone. Flood insurance is available and will be required in connection with financing of improvements to these lots should the structure(s) planned for the lots lie within the portion of the lot within the A7 flood zone. The estimated cost of flood insurance on these lots is $395 per year for a $250,000 home with $50,000 coverage for contents and a $500 deductible.

FLOODING AND SOIL EROSION

We have developed and are in the process of implementing a program which provides, or will provide, controls for soil erosion, sedimentation and storm water for the subdivision. The program includes seeding or silt fencing all exposed areas in accordance with the guidelines of the Department of Health and Environmental Control (DHEC) and the Office of Ocean and Coastal Resource Management (OCRM). The program has been reviewed and approved by all appropriate federal, state and Town of Mt. Pleasant regulatory agencies.

Implementation of the program began in August 1997 when initial soil disturbance permits were issued and is expected to be completed by June 2000 for the lots covered in this Property Report. We are obligated to comply with the program. Satisfactory completion of environmental controls is a pre-requisite to approval of a final subdivision plat for each sub-phase of the subdivision.

Prior to recording a conditional plat for any sub-phase of development, we are required to provide financial assurances to the Town of Mt. Pleasant for completion of infrastructure to serve that sub-phase. Environmental controls are an essential component of the infrastructure covered by those financial assurances. At this time, all infrastructure, including environmental controls, has been completed and final plats have superseded the conditional plats in all of Phases 1 and 3. We have obtained conditional approval of the plats for Phase 2, Subphases A-E (consisting of 80 lots), Subphase IIB Future Development Parcels (consisting of 13 lots) and Subphase IIF (consisting of 19 lots) and we have posted a letter of credit from Wachovia National Bank in an amount equal to one and one-half times our engineer's estimate of work to be complete within each of those sub-phases. No plat has been recorded yet for Phase 4. A letter of credit will be posted to assure completion of infrastructure, including environmental controls, in that phase prior to recording the conditional plat for that phase.

NUISANCES

There are no known land uses or nuisances which may adversely affect the subdivision.

HAZARDS

We are not aware of any unusual safety factors which affect the subdivision, nor are we aware of any proposed plans for construction which may create a nuisance or safety hazard or adversely affect the subdivision.

Due to its proximity to the Atlantic Ocean, the subdivision is subject to the effects of hurricanes. It has been formally identified by the Federal Emergency Management Agency as an area subject to the frequent occurrence of natural hazards, including earthquakes.

The Town of Mt. Pleasant has a rating system for fire hazard based on equipment, response time, and general effectiveness. The subdivision has a fire rating of 3 on a scale of 1 to 9 (1 being highest).

CLIMATE

The average temperature ranges for the area in which the subdivision is located are as follows:

	Summer (June-August)	Winter (November-March)
High	90.2°	57.8°
Mean	81.5°	47.8°
Low	72.7°	37.7°

The average annual rainfall is 51.53 inches and the average annual snowfall is approximately 0 inches.

OCCUPANCY

Seventy-two homes in the subdivision are occupied on a full- or part-time basis as of the date of this Property Report.

ADDITIONAL INFORMATION

In this section, we will discuss the property owners association, your liability for real estate taxes and assessments levied against subdivision lots, matters pertaining to the resale of the lots, equal opportunity in lot sales and the listing of lots within the subdivision.

PROPERTY OWNERS ASSOCIATION

I'On Assembly, Inc. ("Assembly"), is the property owners association for those lots within the subdivision which are described as Assembly Lots in the listing of lots on page 33 of this Property Report. The Assembly was formed as a South Carolina nonprofit corporation on June 4, 1998 and has been operational since that date. The incorporator was Vincent G. Graham, 516 Mathis Ferry Road, Mt. Pleasant, South Carolina 29464.

The developer holds a Founder membership in the Assembly until all lots planned for the subdivision have been conveyed to purchasers other than builders or February 9, 2018, whichever is later. As the Founder member, we have the right to exercise control over the Assembly by appointing, removing and replacing a majority of the members of the Assembly's governing board ("Board of Trustees") until the earlier of (i) the date as of which 75% of the total acreage of the property planned for inclusion in the subdivision has been conveyed to persons other than builders, or (ii) February 9, 2018, unless we voluntarily choose to relinquish such right earlier.

Actions which require a vote of the membership generally require approval of a specified percentage of the property owners and the consent of the Founder. In addition, as long as the Founder membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Trustees or any committee which we believe would tend to impair our rights or the rights of builders under the Assembly Declaration or the Assembly's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Assembly.

Membership in the Assembly is mandatory for every owner of an Assembly Lot. If title to a lot is held in joint names, all owners of such lot share privileges and responsibilities of such membership.

Each owner of an Assembly Lot is required to pay assessments to the Assembly. The annual General Assessment is currently $400 per lot. General Assessments cover the Assembly's annual operating costs. General Assessments may be adjusted each fiscal year by the Board of Trustees, subject to procedures set forth in the Declaration. The Board of Trustees may revise the budget and General Assessment from time to time and may retroactively budget and assess for any expenses incurred or shortfalls experienced by the Assembly. The Assembly may also levy Specific Area Assessments against the lots for costs of benefits or services which the Assembly might provide only within a specified area of the subdivision. The Assembly may also

levy assessments against the lot of an owner or resident who violates provisions of the Assembly Declaration or other governing documents.

The Assembly is responsible for management, operation and maintenance of the common properties; administering and enforcing the Assembly Declaration, the architectural standards known as the I'On Code, and the I'On Rules; making and amending the I'On Rules in accordance with the Assembly Declaration, and making or contracting for repairs, additions, and improvements to the common properties. It is also authorized, but not obligated, to contract for or provide services and facilities for the benefit of property owners and their lots, which might include such things as cable television service, security services, and landscape maintenance services, among other things.

In order to carry out these functions, the Assembly is authorized to adopt budgets and levy assessments against the property owners and their lots; open bank accounts, deposit funds received on behalf of the Assembly into such accounts, and use such funds to operate the Assembly; contract for insurance coverage for the Assembly; hire, compensate and fire personnel; purchase equipment, supplies and materials to be used by such personnel; and take specific enforcement action, including assessing monetary fines, suspending the right to vote and to use common properties; suspending services, exercising self-help, and bringing suit in court to enforce the governing documents. The Assembly has a duty to maintain books and records and to make them available to the members and their mortgagees.

Architectural control over the lots in the subdivision is exercised by the I'On Design Committee. We will appoint the members of the Design Committee as long as we own any property planned for inclusion in the subdivision. Thereafter, the Assembly's Board of Trustees will appoint the members of the Design Committee. The Assembly is authorized to enforce the architectural control provisions of the Assembly Declaration and the decisions of the I'On Design Committee.

There are no functions or services which we currently provide at no charge for which the Assembly may be required to assume responsibility in the future.

We believe the current level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Assembly to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet those obligations, it may be necessary for the Assembly to increase the assessments to be paid by property owners.

I'On Square Association, Inc. ("Association") is or will be the property owners association for the lots described as Commercial Lots in the listing of lots on page 33 of this Property Report. We will incorporate the Association as a South Carolina nonprofit corporation before we transfer title to any Commercial Lot.

We will have the right to appoint a majority of the members of the Association's board of

directors until we have conveyed 75% of the total acreage of the property described in Exhibits "A" and "B" to the Commercial Declaration to persons other than our affiliates, or 20 years after the date on which the Declaration is recorded in the public records, whichever is earlier.

There are two classes of membership in the Association: Class A and Class B. All owners of Commercial Lots are Class A Members. We are the only Class B Member. Actions which require a vote of the membership generally require approval of a specified percentage of the Class A votes and our consent, as long as our Class B Membership exists. In addition, as long as the Class B membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Directors or any committee which we believe would tend to impair our rights or the rights of developers under the Commercial Declaration or the Association's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Association. The Class B membership will terminate two years after expiration of our right to control the board of directors.

Membership in the Association is mandatory for all owners of Commercial Lots. Each owner of a Commercial Lot is obligated to pay assessments to the Association for a share of the common expenses of the Association, calculated in accordance with a formula set forth on Exhibit D to the Commercial Declaration. Assessments will vary from lot to lot based on the "Maximum Floor Area" allocated to the lot pursuant to the Commercial Declaration. Base Assessments for general common expenses are currently projected to be in the range of fifty cents (50¢) per square foot of Maximum Floor Area allocated to the lot, but are subject to increase by the board of directors from time to time in accordance with the procedures set forth in the Commercial Declaration. The Association may also levy special assessments to cover unbudgeted expenses, as well as specific assessments against the lot of an owner or occupant who violates provisions of the Commercial Declaration or other governing documents.

The Association performs much the same functions and has substantially the same powers with respect to the property subject to the Commercial Declaration as the Assembly performs with respect to the property subject to its Declaration, as described above.

We will exercise architectural control over the Commercial Lots during the development period and then will transfer responsibility for architectural control to an architectural control committee appointed by the Association's board of directors.

There are no functions or services that we currently provide at no charge for which the Association may be required to assume responsibility in the future.

We believe the projected level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Association to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet those obligations, it may be necessary for the Assembly to increase the assessments to be paid by the owners of Commercial Lots.

TAXES

You will be obligated to pay real property taxes on the lot after title to the lot is transferred to you. Real property taxes on the lot will be assessed by and paid to the Town of Mt. Pleasant and Charleston County, South Carolina. For the 2000 tax year, real property taxes on property in the subdivision are assessed at a rate of $254.60 per $1,000 in assessed value of each residential lot and all structures located on the lot. The assessed value of a residential lot is currently 4% of the appraised value if the owner is a resident of Charleston County and 6% of the appraised value if the owner is not a resident of Charleston County. The assessed value of a commercial lot is currently 6% of the appraised value.

There are currently no special taxes or tax assessments which affect the subdivision. The subdivision is not currently part of a special improvement district.

RESALE OR EXCHANGE PROGRAM

Restrictions on the use of your lot have been discussed in the section of this Property Report entitled "Restrictions on the Use of Your Lot," above. Those restrictions which might hinder the lot owner in the resale of lots within the subdivision include the architectural approval and control provisions which limit or restrict the placement of signs within the subdivision and restrictions on use of Commercial Lots which may limit the number and types of resale buyers who would be interested in purchasing the lot.

Except in the case of certain exempt transfers, upon the transfer of title to a lot in the subdivision, the applicable Declaration requires the transferring owner to pay a transfer fee to the I'On Trust, a South Carolina nonprofit corporation. Such transfer fee is in the amount of one tenth of one percent (.1%) of the total cost to the purchaser of the lot and any improvements on the lot, as such cost is indicated by the amount of tax imposed by Charleston County, South Carolina on the transfer of title. You are advised to review the provisions of Article X of the Declaration regarding the transfer fee carefully before making a decision to purchase a lot.

We have no program to assist you in the resale of your lot. We do not have any provision to allow you to exchange one lot for another.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We will not directly or indirectly discriminate against you on the basis of 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, in our rendering of services to lots, in requiring terms and conditions on lot sales and leases, or in any other manner.

LISTING OF LOTS

Below is a listing of the three hundred and two (302) lots currently covered by this Property Report and intended for sale in the subdivision, as indicated on the referenced plats.

I'ON	
PLAT REFERENCE	LOTS NUMBERED
Phase 1 (128 lots)	
Phase 1A (21 lots)	Assembly Lots: 11, 14, 15, 16, 18, 25, 27, 28, 37, 42, 44, 47-49, 61, 62, 64, 66-69
Phase 1B1 (26 lots)	Assembly Lots: 10, 137-145, 147-151, 154, 155, Commercial Lots: CM1, CM2, CM4, CM5, CM6, CM7, CM8, CM9, CV-1
Phase 1B2 (4 lots)	Assembly Lots: 3, 7, 8, 9
Phase 1C (29 lots)	Assembly Lots: 50, 52-58, 70-81, 83-91
Phase 1C2 (17 lots)	Assembly Lots: 103, 110, 111, 112, 117, 120-129, 135, 136
Phase 2 (109 lots)	
Subphases IIA-E (79 lots)	Assembly Lots: 190, 196-206, 211-222, 242-263, 265-276, 278-297, CV5
Subphase IIB -future development parcels (12 lots)	Assembly Lots: Lots 191-194, 195A, 195B, 195C, 195D, 207-210
Subphase IIF (18 lots)	Assembly Lots: Lots 223-229, 231-241
Phase 3 (33 lots)	Assembly Lots: 156-188
Phase 4 (63 lots)	Assembly Lots: 301-314; 316-329; 331-363; CV-7

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

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

Cash Price of Lot ..... $_____
Finance Charge ..... $_____

Total ..... $_____

Estimated One-Time Charges

1. Water connection fee ..... $ 874.00
2. Sewer connection fee $1,340.00
3. Electric connection fee ..... $_____
4. Telephone service installation charge ..... $_____
5. Design review fees ..... $_____
6. Other (identify) ..... $_____

Total of estimated sales price and one-time charges ..... $_____

Estimated Monthly/Annual charge
(exclusive of utility use fees)

1. Taxes -- Average unimproved lot after sale to purchaser ..... $_____
2. Dues and assessments ..... $_____

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

The I'On Company, L.L.C., a South Carolina limited liability company

By: _____ (SEAL)
Joseph E. Barnes
Its: Manager

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: April 10, 2000

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 our Property Report.

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

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

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Lot _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

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 before you signed 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 any time within two (2) years from the date of signing.

Name of Subdivision:	I'On
Names of Developer:	The I'On Company, L.L.C., a South Carolina limited liability company
Date of This Report:	December 29, 2000

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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 in order 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 three hundred and two (302) lots in Charleston County, South Carolina. See page 33 for a listing of these lots. It is estimated that this subdivision will eventually contain approximately seven hundred and ninety-two (792) lots.

The developer of this subdivision is:

The I'On Company, L.L.C., a South Carolina limited liability company

159 Civitas Street

Mt. Pleasant, SC 29464

(843) 971-1662

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

A CONDITIONAL PLAT OF THE LOTS IN PHASE 4 OF THE SUBDIVISION HAS NOT YET BEEN APPROVED OR RECORDED, BUT MUST BE APPROVED AND RECORDED PRIOR TO CONVEYANCE OF THOSE LOTS . UNTIL A CONDITIONAL PLAT IS RECORDED FOR SUCH LOTS, THE DESCRIPTION OF SUCH LOTS CONTAINED IN THIS PROPERTY REPORT IS NOT LEGALLY ADEQUATE FOR CONVEYANCE OF SUCH LOTS.

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 does not give you legal title. You will not 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

If you decide to purchase a lot, you will sign a sales contract obligating you to pay for the lot entirely in cash (with or without obtaining your own financing) at the closing of the purchase and sale of the lot.

We will deliver a general warranty deed to the property to you within 180 days of execution of a sales contract. You will receive a general warranty deed at the closing of the purchase and sale of the lot.

Type of Deed

The transfer of title to all lots will be by a general warranty deed.

ENCUMBRANCES, MORTGAGES, AND LIENS

All lots described in the listing of lots on page 33 of this Property Report as "Assembly Lots" will be conveyed subject to the following blanket encumbrance.

(1) Declaration of Covenants, Conditions and Restrictions for I'On, recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Book C-297, at Page 282.

All lots described in the listing of lots on page 33 of this Property Report as "Commercial Lots" will be conveyed subject to the following blanket encumbrance:

(2) Declaration of Covenants, Conditions and Restrictions for I'On Square, recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Deed Book R354 at page 129, *et seq*.

The lots in Phase 1 of the subdivision, as described in the listing of lots on page 33 of this Property Report, are also subject to the following blanket encumbrance:

(3) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company, dated August 12, 1997, in the original principal amount of $4,560,000.00, recorded August 12, 1997, in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book J-288 at Pages 611-618, as amended by that instrument recorded January 16, 1998 in Mortgage Book Z-295 at Page 363.

The lots in Phase 3 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(4) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated August 3, 1998, in the original principal amount of Nine Hundred and Forty Thousand Dollars ($940,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book N308, at Page 293.

The lots in Phase 2 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(5) Mortgage from The I'On Company, L.L.C. to Wachovia Mortgage Company dated March 22, 1999, in the original principal amount of Four Million Five Hundred Eighty Thousand Dollars ($4,580,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book F323, at Page 212.

The lots in Phase 4 of the subdivision, as described on page 33 of this Property Report, are subject to the following blanket encumbrance:

(6) Mortgage from The I'On Company, L.L.C. to Wachovia Bank, N.A. dated October 5, 1999, in the original principal amount of Two Million Dollars ($2,000,000.00), recorded in the Office of the Register of Mesne Conveyances, Charleston County, South Carolina, in Mortgage Book 335, at Page 366.

Release Provisions

The Mortgage described in item (3) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment of the greater of 61% of the gross sales price of the lot or the release price as stated in a separate I'On Development Loan Release Schedule agreed upon between us and the lender.

The Mortgage described in item (4) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon receipt of payment in the amount of Thirty-One Thousand One Hundred and Thirty-Four Dollars ($31,134.00) per lot to be released.

The Mortgage described in item (5) above contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon satisfaction of certain nonmonetary conditions relating to platting, zoning, and easements for development and the lender's receipt of payment in an amount equal to the greater of 76% percent of the net sales proceeds from the sale of the lot or the minimum release price for the lot set forth in Schedule A to such Mortgage.

The Construction Loan Agreement executed in connection with the Mortgage described in item (6) above, the terms of which are incorporated by reference in the Mortgage, contains a provision requiring the lender to release its lien on any lot which is subject to the Mortgage upon the lender's receipt of a release payment in the amount set forth on the release schedule attached to the Mortgage, provided the lender is reimbursed for any costs which it incurs in connection with the release.

The contract for the sale of each lot obligates us to request and obtain a release of such lot from the applicable Mortgages prior to or simultaneous with closing and transfer of title to such lot. Under the terms of each Mortgage, the lender's obligation to release its lien on a lot is conditioned upon there being no default under the terms of the Mortgage or the promissory note and security agreement referenced in the Mortgage at the time such release is requested. Prior to paying the purchase price for your lot at closing, you should confirm that all releases have been obtained.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

Under South Carolina law, recording a sales contract places third parties on notice that the subject property is under contract for sale and may protect you from claims of subsequent purchasers or creditors claiming an interest in the lot. However, South Carolina law does not require that sales contracts be recorded and it is not common practice to do so. The sales contract is not in proper form for recording and will not be recorded. By not recording sales contracts, we avoid creating a defect in title to the lot in the event that the sales contract is terminated and the transaction is not completed for any reason.

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.

The deed to your lot will be recorded. In accordance with the South Carolina Code of Laws (1976), we will deliver the deed for your lot to the Office of the Register of Mesne Conveyances for Charleston County, South Carolina, for recording immediately following the closing. Under South Carolina law, recording a deed protects you from subsequent claims by third parties whose interest arises after the date of recording of the deed.

Title Insurance

You should obtain an attorney's opinion of title or title insurance policy which describes the rights of ownership you are acquiring in the lot you purchase. We recommend that an appropriate professional interpret the policy for you.

PAYMENTS

Escrow

Your earnest money deposit will be placed in an escrow account administered by I'On Realty, L.L.C., a South Carolina limited liability company, whose address is 159 Civitas Street, Mt. Pleasant, South Carolina 29464. I'On Realty, L.L.C. is a real estate broker licensed by the State of South Carolina and, as such, is required to comply with state laws and regulations regarding administration of escrow and trust accounts by real estate brokers.

I'On Realty, L.L.C. is a wholly owned subsidiary of The I'On Company, L.L.C. I'On Realty, L.L.C., as a real estate broker entitled to a commission from the sale of a lot, also has an interest in the transaction itself and thus, is not considered independent. You may lose your deposit on your lot if we fail to deliver legal title to you as called for in the contract, because it is not held in an escrow account which fully protects you.

Prepayment

If the purchase of your lot is financed by an independent financial institution, you will need to review the financing documents to determine whether there is any penalty for prepayment of the financing.

Default

The contract for sale specifies the rights and remedies which we may seek in the event you fail to make any payment or perform any obligation required by the contract prior to closing. If you default, we will give you written notice of the default and allow you at least 10 days from your receipt of that notice in which to correct the default. If you default in your obligations under the sales contract prior to closing, we may treat the contract as canceled and retain all monies you have paid as liquidated damages.

If you default in the performance of your obligations under the sales contract after the date of closing, we may elect to pursue any and all remedies available to us at law or in equity.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive covenants have been recorded or will be recorded in the Office of the Register of Mesne Conveyances for Charleston County, South Carolina against each lot covered by this Property Report prior to its conveyance. Those lots identified in the listing of lots on page 33 as Assembly Lots will be subject to the restrictive covenants contained in the deed of conveyance and in the Declaration of Covenants, Conditions and Restrictions for I'On ("Assembly Declaration"). I'On Assembly, Inc. ("Assembly"), a mandatory membership property owners association, is charged with administering and enforcing the Assembly Declaration. Each purchaser of an Assembly Lot automatically becomes a member of the Assembly upon taking title to the lot and will remain a member as long as the purchaser owns the lot.

The restrictive covenants contained in the Assembly Declaration are described in the following paragraphs. The discussion only highlights the restrictions contained in the Assembly Declaration and should not be a substitute for your careful study of the document.

The Assembly Lots are subject to architectural controls and design standards. The Assembly Declaration requires, among other things, that a purchaser of a lot secure approval of the I'On Design Committee prior to improving a lot or making any additions or modifications to the exterior of existing improvements. The I'On Design Committee may establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work on an Assembly Lot must comply with the I'On Code, the document which sets forth the design standards for property in the subdivision, unless the I'On Design Committee has granted a variance in writing. Compliance with the I'On Code is a covenant undertaken by each purchaser of a lot subject to the Assembly Declaration.

In reviewing plans and specifications for proposed work, the I'On Design Committee is guided by the I'On Code, but the I'On Code is not the exclusive basis for its decisions and compliance with the I'On Code does not guarantee approval. The I'On Design Committee may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction has not commenced on proposed work within six months after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the I'On Design Committee, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The Assembly Lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The Assembly Lots are also subject to certain use restrictions referred to in the Assembly Declaration as the I'On Rules. The initial I'On Rules are set out in Exhibit D to the Assembly Declaration and include restrictions on parking commercial and residential vehicles, boats and trailers; pets; television antennas, satellite dishes, radio receivers, and similar devices; trash and refuse containers; and signs. Additional restrictions may be established by the Board of Trustees of I'On Assembly, Inc., pursuant to its authority granted in the Assembly Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct in the subdivision. Such additions and changes to the I'On Rules need not be recorded.

A complete copy of these restrictions is available upon request.

The lots identified in the listing of lots on page 33 as Commercial Lots will be conveyed subject to the Declaration of Covenants, Conditions and Restrictions for I'On Square ("Commercial Declaration"). I'On Square Association, Inc. ("Association"), a mandatory membership property owners association, is charged with administering and enforcing the Commercial Declaration. Each purchaser of a Commercial Lot automatically becomes a member of the Association upon taking title to the lot and will remain a member as long as the purchaser owns the lot.

The restrictive covenants contained in the Commercial Declaration are described in the following paragraphs. The discussion only highlights the restrictions and should not be a substitute for careful study of the Commercial Declaration, if applicable to the lot you are purchasing.

The Commercial Declaration contains architectural controls and design standards applicable to the Commercial Lots. Among other things, it requires that a purchaser of a lot secure approval prior to improving a lot or making any additions or modifications to the exterior of existing improvements. It authorizes the reviewer to establish and charge reasonable fees to defray costs of administering applications for approval.

All proposed work on a Commercial Lot must comply with architectural guidelines adopted pursuant to the Commercial Declaration, unless the reviewer has granted a variance in writing. Compliance with these standards is a covenant undertaken by each purchaser of a commercial lot. In reviewing plans and specifications for proposed work, the reviewer is guided by the architectural standards, but they are not the exclusive basis for its decisions and compliance with those standards does not guarantee approval. The reviewer may consider any other factors it deems relevant and its decisions may be based on purely aesthetic considerations.

If construction on a Commercial Lot has not commenced on proposed work within one year after the date of approval of any application for such work, the approval is deemed withdrawn. Unless otherwise approved by the reviewer, all elements of any improvements for which plans are approved must be completed within one year after the date of approval or such shorter period as may be specified in the sales contract for the purchase of the lot.

The Commercial Lots will be conveyed subject to a restriction that they shall not be used for any type of vacation timesharing plan, as defined by Section 27-32-10, *et seq.*, South Carolina Code (1976), without our prior written approval.

The Commercial Lots are also subject to certain use restrictions referred to in the Commercial Declaration as the Restrictions and Rules. The initial Restrictions and Rules are set out in Exhibit C to the Commercial Declaration and include restrictions and limitations on residential use, office use and other specific types of uses, as well as restrictions on activities such as parking, outdoor storage of goods, materials, or equipment, and conditions such as antennas and similar devices; trash and refuse containers; and signs, among other things. The Restrictions and Rules restrict use of the street level of each Commercial Lot to use for operation of a restaurant, retail or neighborhood business whose goods or services are primarily marketed to the general public (i.e., retail consumers as opposed to other businesses, nonprofit organizations, or government agencies. The Board of Directors or members of the Association may establish additional rules and restrictions pursuant to the authority granted in the Commercial Declaration to make and amend reasonable rules and regulations governing use of property, activities and conduct. Such additions and changes to the Restrictions and Rules need not be recorded.

A complete copy of these restrictions is available upon request. The Commercial Declaration is subject to change in accordance with the amendment provisions set forth in the Commercial Declaration.

Easements

There are easements which may affect your plans for building or using your lot. There are drainage, access and utility easements which affect the lots covered by the Property Report as shown or to be shown on the recorded plats. There are also easements applicable to the Assembly Lots that are described in the Declaration and easements applicable to the Commercial Lots that are described in the Commercial Declaration .

Article V of the Declaration and Article VII of the Commercial Declaration set forth certain easements for access by public safety officers and other public servants in the performance of their duties and easements for encroachments, maintenance, and utilities. The Declaration also provides for the creation of additional easements for conservation, wetlands buffering, landscaping and similar purposes, by other recorded instruments. You are advised to read Article V of the Declaration and Article VII of the Commercial Declaration carefully for an understanding of the nature and scope of these easements.

The lots covered by this Property Report are not subject to any type of flood control or flowage easements.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

A final plat covering the lots in Phase 1A of the subdivision, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book EC at Page 631. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

Final plats covering the lots in Phase 1B of the subdivision, as described on page 33 of this Property Report, have been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyancse of Charleston County, South Carolina in Plat Book EC at Pages 976-977 and in Plat Book ED at Page 228 . The descriptions of the lots on such plats are legally adequate for the conveyance of the lots.

Final plats covering the lots in Phase 1C of the subdivision, as described on page 33 of this Property Report, have been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 225 and in Plat Book ED at Page 227 . The descriptions of the lots on such plats are legally adequate for the conveyance of the lots.

A final plat covering the lots in Phase 3 of the subdivision, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 328. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 2, Subphases A-E of the subdivision (exclusive of the areas in Subphase 2B labeled "Future Development"), as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Pages 108-109. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plat covering the lots in Phase 2, Subphase IIB (Future Development Parcels) and Subphase F, as described on page 33 of this Property Report, has been approved by the Town of Mt. Pleasant, South Carolina and recorded in the Office of the Register of Mesne Conveyances of Charleston County, South Carolina in Plat Book ED at Page 670. The descriptions of the lots on such plat are legally adequate for the conveyance of the lots.

A conditional plats of the lots in Phase 4 of the subdivision has not yet been approved or recorded, but must be approved and recorded prior to conveyance of those lots. Until either a conditional or final plat is recorded for particular lots, the description of the lot contained in this Property Report is not legally adequate for conveyance of such lot.

Zoning

All lots described on page 33 of this Property Report are designated for single-family residential use except those lots identified by the designation "CM" or "CV" before the lot number, which are designated for commercial or civic purposes, respectively. These uses conform to local zoning requirements and the restrictive covenants pertaining to the subdivision.

Surveying

Each lot has been or will be surveyed at our expense and identified on a recorded plat prior to conveyance. Pins will be set on the corners of each lot to physically mark the lot boundaries.

Permits

Before beginning construction on a lot, the purchaser must obtain approval of the plans for the proposed improvements, as discussed under the caption "Restrictive Covenants" above. In addition, the purchaser must obtain a building permit from the Town of Mt. Pleasant, South Carolina before commencing construction. Upon completion of construction, the purchaser must obtain a certificate of occupancy from the Town of Mt. Pleasant before the dwelling or other structure may be occupied. No other governmental permits will be necessary in order to use the lot for such purposes as are permitted by applicable zoning and recorded covenants and restrictions.

Environment

No independent environmental impact study has been required or conducted for the subdivision. Thus, no determination has been made as to all of the possible adverse effects the subdivision may have upon the environment and surrounding area.

In connection with our subdivision approval by the Town of Mt. Pleasant, we prepared an impact assessment which addresses the impact of the subdivision in a number of specific areas, including its impact on the environment. The assessment describes the following plans to mitigate any detrimental effect on the environment.

The subdivision has 2,488 linear feet of frontage along a section of Mathis Ferry Road designated as a South Carolina Scenic Highway in June 1988. In order to maintain and enhance the screening effect of the existing live oak canopy along this highway, we plan to provide a 25

foot wide natural buffer along the entire frontage, work with the South Carolina Department of Transportation and the Town of Mt. Pleasant to replant live oaks where trees have died or been removed, and utilize understated brick columns and minimal signage to designate entryways to the subdivision.

The subdivision currently drains overland to three lakes on the property, a large wetland at the headwaters of Molasses Creek, and the adjacent salt marshes. We plan to make extensive use of the three lakes and the existing freshwater wetlands to limit storm water runoff to pre-development rates and contain non-point runoff from entering the salt marsh. An extensive park system planned along the highlands above the marshes and waters of Hobcaw Creek, together with other management practices, will serve a dual purpose of providing storm water control and serving as an amenity for residents.

The subdivision has over 2 miles of marsh and deep water frontage along Hobcaw Creek and 1.46 miles of frontage along the lakes mentioned above. The U. S. Army Corps of Engineers has delineated and approved the critical line along the marshes and waters of Hobcaw Creek and the freshwater wetlands within the subdivision. Rather than subdividing this premium frontage into lots, over 75% of the marsh, water frontage and lake frontage is planned as parks. One of the three lakes will be preserved as a wildlife sanctuary.

ROADS

Here we discuss the roads which lead to the subdivision, the roads within the subdivision, and the location of nearby communities.

ACCESS TO THE SUBDIVISION

Access to the subdivision is provided on a year-round basis by a public road designated as Mathis Ferry Road. Mathis Ferry Road is a two-lane, asphalt surface road. The width of the wearing surface is 24 feet.

The South Carolina Department of Transportation is responsible for improving and maintaining Mathis Ferry Road. You will not be responsible for any costs associated with maintaining this road (except to the extent that the taxes you pay are used to fund road maintenance and improvements). No improvements to the road are contemplated at the present time.

ACCESS WITHIN THE SUBDIVISION

Legal and physical access by conventional automobile to the lots within the subdivision is, or will be, provided on a year-round basis by public, two-lane roads with a wearing surface ranging from 17 to 30 feet, as shown in The I'On Code (a part of the zoning ordinance approving the development plan for the subdivision) and on the recorded plats of the subdivision. The surface of the roads will be predominantly asphalt, although there may be narrow strips of cobblestone, brick or granite pavers used for special purposes or effects at various points. In addition, many of the lots will be served by alleys or "service lanes" permitting vehicular access to the rear of the lot. Such service lanes have or will have a wearing surface which is approximately 9 feet in width and comprised of asphalt, a pervious paving material such as crusher run, or a combination thereof.

We are responsible for constructing the roads within the subdivision and will dedicate each road or portion thereof shown on a recorded final plat to the Town of Mt. Pleasant upon recording of the final plat. We will retain maintenance responsibility for the roads for approximately two years after completion of the roads, except that the I'On Assembly, Inc. or the I'On Square Association, Inc. will be responsible for maintenance of any cobblestone, granite or brick pavers within the public roads. The I'On Assembly, Inc. will also be responsible for maintaining the service lanes providing access to the rear of Assembly Lots within the subdivision. The I'On Square Association, Inc. will be responsible for maintaining the service lanes, if any, providing access to the rear of the Commercial Lots.

You will not be responsible for any costs associated with construction or maintenance of the public roads, except to the extent that the property taxes you pay to the Town of Mt. Pleasant

are used to fund road maintenance and improvements and except to the extent that the assessments you pay to the I'On Assembly, Inc. or the I'On Square Association, Inc., are used to maintain the cobblestone, granite or brick pavers within the public roads. You will not be responsible for any costs associated with construction of the service lanes, but will pay assessments to the I'On Assembly, Inc. or the I'On Square Association, Inc. for your pro rata share of the costs of maintaining the service lanes.

The roads in Phases 1, 2 and 3 of the subdivision are complete. Prior to the conveyance of a lot inPhase 4, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete roads within such phase.

The estimated completion dates for the construction of roads within the subdivision are as follows:

Phase	Estimated Starting Date	% of Construction Now Complete	Estimated Completion Date	Present Surface	Final Surface
1	8/1997	100%	N/A	Asphalt	Asphalt
2	3/1999	100%	N/A	Asphalt	Asphalt
3	10/1998	100%	N/A	Asphalt	Asphalt
4	12/1999	10%	8/2000	Dirt	Asphalt

The table below identifies the distance (in miles) from the subdivision to nearby communities.

Community Name	Population	Distance over Paved Roads	Distance Over Unpaved Roads	Total Miles
Charleston (County Seat)	76,854	5 miles	0 miles	5 miles
Sullivan's Island	1,339	5 miles	0 miles	5 miles
Mt. Pleasant	38,056	0 miles	0 miles	0 miles

UTILITIES

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

WATER

Water is or will be supplied to the lots within the subdivision by a central water distribution system which is presently owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464.

Water mains are or will be extended in front of or adjacent to each lot.

The following chart indicates the current status of the construction of the central water distribution system for each existing phase of the subdivision:

WATER

Phase	Estimated Starting Date (Month & Year)	Percentage of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	Now Available
2	7/1999	100%	Now Available
3	10/1998	100%	Now Available
4	6/2000	0%	8/2000

Mt. Pleasant Waterworks, which is a division of the Town of Mt. Pleasant government (or whose operations are regulated by the Town of Mt. Pleasant), has indicated that the central water supply system has a present capacity of 3.2 million gallons per day, 300 gallons per connection and that this is sufficient to serve the anticipated population of the subdivision.

THERE HAVE BEEN NO HYDROLOGICAL SURVEYS CONDUCTED TO CONFIRM THAT A SUFFICIENT WATER SUPPLY IS AVAILABLE TO SERVE THE SUBDIVISION.

Mt. Pleasant Waterworks has represented that the water available for the subdivision is tested for purity and content on a regular basis and meets all standards for a public water supply.

The timetable for extension of the central water system is based upon our plans and projections for an orderly expansion of the subdivision over a 7 to 8 year period and the seasons during which construction is feasible.

We are responsible for the construction of the water mains and distribution system to serve the subdivision and all costs associated with such construction. Construction of the water mains and distribution system to serve the lots within Phases 1, 2 and 3 of the subdivision is complete. Prior to the conveyance of a lot in Phase 4 or any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of the water mains and distribution system to serve lots in such phase, if not then completed.

All permits have been obtained from the proper agencies for the construction, use, and operation of the water mains and distribution system to serve the lots covered in this Property Report.

In addition to user fees, each purchaser will be responsible for paying a one-time connection fee to connect the building on the lot to the central water system. Currently the cost to the purchaser per connection is $874. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the water system.

You will also be responsible for the construction of service lines to any improvements you build on your lot, plus the cost of water meters, cut-off valves, or other equipment which may be related to your water connection. The amount of these additional charges will vary depending upon the location of your lot and the location of the improvements on your lot.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central water system.

Individual water systems, such as a private well, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

SEWER

The subdivision will be served by a central sewer system. We are responsible for constructing the sewer mains, lift station and force main to permit the lots in the subdivision to connect to the central treatment plant. Sewer mains will be installed in front of, or adjacent to, each of the lots in the subdivision.

Construction of the sewer system improvements within the subdivision has begun and is completed to the lots in Phases 1, 2 and 3, which is approximately 83% of the lots covered in this Property Report. Installation of a force main and pump station to allow for expansion of the

sewer system to other phases of the subdivision is complete. We estimate that service will be completed to all lots in the subdivision in stages over the next seven to eight years. The following chart indicates the estimated timetable for construction and service availability for each existing phase of the subdivision:

SEWER

Phase	Estimated Starting Date (Month/Year)	% of Construction Now Complete	Estimated Service Availability Date (Month/Year)
1	8/1997	100%	Now Available
2	6/1999	100%	Now Available
3	10/1998	100%	Now Available
4	2/2000	70%	7/2000

The central sewer system will be owned and operated by Mount Pleasant Waterworks, P.O. Box 330, 1619 Rifle Range Road, Mt. Pleasant, South Carolina 29464, (843) 884-9626. Mt. Pleasant Waterworks is a division of (or regulated and supervised by) the Town of Mt. Pleasant, South Carolina.

We have obtained the necessary permits for the construction of the central sewer system to serve the subdivision.

THE CENTRAL SEWER SYSTEM IS STILL UNDER CONSTRUCTION AND NOT PRESENTLY ABLE TO SERVE ALL LOTS BECAUSE SEWER MAINS HAVE NOT YET BEEN EXTENDED TO ALL LOTS. THE SEWER SYSTEM IS PRESENTLY COMPLETED TO SERVE APPROXIMATELY 307 LOTS.

Mt. Pleasant Waterworks has indicated that the sewage treatment facility is complete and has sufficient capacity to service all of the lots within the subdivision.

In addition to user fees, purchasers will be required to pay a one time connection fee to connect the structure on their lot to the central sewer system. The connection fee currently is $1,340. You must pay this connection fee prior to obtaining a building permit. This amount is subject to change by the owner of the central sewer system.

There is no charge to you for construction costs, availability fees, special assessments, or deposits for the central sewer system.

Individual sewage treatment systems, such as septic tanks, are not permitted on any lot. Connection to the central system is mandatory for all lots in the subdivision.

We are responsible for the construction of the sewer system improvements to serve the subdivision and all costs associated with such construction.Construction of such improvements is complete to serve the lots in Phases 1, 2 and 3 of the subdivision. Prior to the conveyance of a lot in Phase 4 or any subsequent phase of the subdivision, we will be required to post a bond with the Town of Mt. Pleasant to provide financial assurances for completion of any incomplete sewer system improvements to serve lots in such phase.

ELECTRICITY

Electricity is or will be provided by South Carolina Electric and Gas, a publicly regulated utility operating under the rules of the Public Service Commission of South Carolina. The primary electrical service lines will be extended in front of or adjacent to each lot.

Electrical service lines have not yet been extended to all lots in the subdivision. South Carolina Electric and Gas is responsible for installation of electrical service lines. Installation has begun and is expected to be completed in stages over the next 8 years.

The following chart sets forth the estimated starting dates and estimated service availability dates for each existing phase of the subdivision.

ELECTRIC SERVICE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/1997	100%	Now Available
2	1/1999	60%	7/2000
3	10/1998	100%	Now Available
4	6/2000	0%	7/2000

You will not be responsible for any construction costs associated with extending the primary electrical service lines to the service point in front of or adjacent to your lot. You will be responsible for installing electrical lines within your lot boundaries and structures on your lot.

At present, South Carolina Electric and Gas does not charge for such installation, but it may impose charges for installation in the future.

TELEPHONE

Telephone service will be available from BellSouth to serve each lot in the subdivision. Telephone service lines have been or will be extended in front of or adjacent to each lot.

Telephone service lines have not yet been extended to all lots in the subdivision. BellSouth is responsible for installation of telephone service lines. Installation has begun and is expected to be completed in stages over the next 5 years. The following chart sets forth the estimated starting dates and estimated service availability dates for each existing phase of the subdivision.

TELEPHONE

Phase	Estimated Starting Date (Month & Year)	% of Construction Now Complete	Estimated Service Availability Date (Month & Year)
1	8/97	100%	Now Available
2	10/98	40%	5/2000
3	10/98	100%	Now Available
4	7/99	0%	9/2000

You will not be responsible for any construction costs associated with extending the telephone service lines to the service point in front of or adjacent to your lot. You will be responsible for the cost of installing service lines within your lot boundaries and structures on your lot. At present, BellSouth does not charge for such installation, but it may impose charges for such installation in the future.

FUEL OR OTHER ENERGY SOURCE

Natural gas service is not available to serve the subdivision at this time and we are not aware of any plans to extend natural gas service to the subdivision.

FINANCIAL INFORMATION

A copy of our audited financial statement for the period ending December 31, 1998, along with an interim unaudited statement as of November 30, 1999, is available from us upon request.

LOCAL SERVICES

In this topic, we will discuss the availability of fire and police protection and the location of schools, medical care, shopping facilities, mail services and public transportation.

FIRE PROTECTION

Mt. Pleasant Fire Department provides fire protection services to the subdivision on a year round basis from a station located approximately 0.5 mile from the subdivision. Fire hydrants will be installed throughout the subdivision so that there is a fire hydrant within 300 feet of the front corner of each lot.

Statewide standards for water pressure (measured in gallons per minute) call for a minimum of 500 gpm. However, as part of an effort to preserve Mount Pleasant's high ISO rating, the Mount Pleasant Fire Department has imposed a minimum requirement for properties in Mount Pleasant of 1000 gpm. For structures with over 3000 square feet of floor area, the minimum required water pressure is determined by a formula. If the closest fire hydrant cannot reach those flow minimums for the structures on your lot, you must install a sprinkler system. We anticipate that most structures with more than 3000 square feet of floor area built on lots in Phase 2 in the area from around East Shipyard Road north to Hobcaw Creek will need sprinkler systems.

POLICE PROTECTION

Mt. Pleasant Police Department provides police protection services to the subdivision. The Police Department is located 0.5 mile from the subdivision.

SCHOOLS

James B. Edwards Elementary School, a public elementary school, is located 1.5 miles from the subdivision. Moultrie Middle School, a public intermediate school, is 2.3 miles from the subdivision. Wando High School, a public high school, is located 2 miles from the subdivision. School bus transportation will be available from within the subdivision to each of these schools.

HOSPITAL

The nearest available hospital is East Cooper Regional Hospital, located at 1200 Johnnie Dodds Boulevard, Mt. Pleasant, South Carolina 29464, approximately 1.2 miles from the subdivision.

Ambulance service is available through Charleston County Emergency Medical Service.

PHYSICIANS AND DENTISTS

The nearest physician's office is located at 900 Bowman Road, Mt. Pleasant, South Carolina, one mile from the subdivision, and the nearest dentist's office is located at 815 Lowcountry Boulevard, Mt. Pleasant, South Carolina, 0.1 mile from the subdivision.

SHOPPING FACILITIES

Shopping facilities are available in Mt. Pleasant, 0.6 mile from the subdivision.

MAIL SERVICE

The United States Postal Service provides mail service to the subdivision. Mail delivery may be provided to a central location or locations within the subdivision, rather than to individual lots.

PUBLIC TRANSPORTATION

There is no public ground transportation within the subdivision and no public ground transportation to nearby towns. The closest bus stop is located on Houston Northcutt Boulevard, approximately 3/4 of a mile from the main entrance to the subdivision.

RECREATIONAL FACILITIES

Facility	% of Construction Now Complete	Estimated Date of Start of Construction (Month/Year)	Estimated Date Available for Use (Month/Year)	Financial Assurance of Completion	Buyer's Annual Cost or Assessments
PHASE 1					
Eastlake Park and lake	100%	9/1997	Now Available	None	Part of annual assessment
Eastlake Boathouse	100%	4/1998	Now Available	None	Part of annual assessment
Canals	100%	11/1997	Now Available	None	Part of annual assessment
Sidewalks, paths and trails	95%	4/1998	4/2000	None	Part of annual assessment
Parks and Open Space	95%	4/1998	4/2000	None	Part of annual assessment
PHASE 2					
Marshwalk (park)	50%	2/2000	6/2000	None	Part of annual assessment
Community Docks	50%	1/2000	9/2000	None	Part of annual assessment
Sidewalks, paths and trails	100%	8/1999	Now Available	None	Part of annual assessment
Parks and Open Space	70%	2/2000	/7/2000	None	Part of annual assessment

PHASE 3					
Sidewalks	100%	2/2000	Now available	None	Part of property taxes paid to Town of Mt. Pleasant

Constructing the Facilities

We are responsible for construction of all of the recreational facilities described in the chart above. You will not be required to pay any costs of constructing these facilities.

Maintaining the Facilities

I'On Assembly, Inc. will be responsible for operation and maintenance of the recreational facilities described in the chart above, except as follows. Sidewalks will be maintained by the Town of Mt. Pleasant. The community dock will be owned, operated and maintained by I'On Club, L.L.C., subject to an easement for use and access by members of I'On Assembly, Inc. as set forth in a recorded easement agreement between I'On Assembly, Inc. and I'On Club, L.L.C. Such easement agreement obligates the Assembly to pay a share of the costs of maintaining and operating the community dock, as well as any adjacent boat ramp and parking area made available for use by members of I'On Assembly, Inc.

The annual cost to the owners of Assembly Lots to maintain, operate and insure the recreational facilities is or will be incorporated in the annual assessment which each such owner pays to I'On Assembly, Inc. Current owners association annual assessments are $400 per lot per year, but are subject to change as provided in the Declaration. Owners of Commercial Lots will have no right to use the recreational facilities owned by I'On Assembly, Inc. or I'On Club, L.L.C., and thus, will not be subject to assessment by I'On Assembly, Inc. for the costs associated with those recreational facilities.

Transfer of the Facilities

The recreational facilities listed in the chart above, other than the sidewalks and community dock, shall, upon completion of construction, be conveyed to I'On Assembly, Inc. by quitclaim deed free and clear of all monetary liens and encumbrances at no cost to I'On Assembly, Inc. or its members. Upon conveyance of these facilities to the I'On Assembly, Inc., it shall assume full responsibility for the costs of ownership, operation, and maintenance of the facilities conveyed to it. Such costs will increase the responsibilities of the I'On Assembly, Inc. and its board of trustees and could result in an increase in future assessments or special assessments payable to the I'On Assembly, Inc. by owners of Assembly Lots.

Who May Use the Facilities

The recreational facilities listed in the chart above will be available for use by owners and occupants of the Assembly Lots and other members of the I'On Assembly, Inc., including the developer, and their respective guests. In addition, the community dock, the Eastlake lake and boathouse, and certain parks will be available for use by such club members and others (which may include members of the general public) as I'On Club, L.L.C. may designate from time to time pursuant to the easement agreement referenced above. The recreational facilities are not available for use by owners or occupants of the Commercial Lots except to the extent that I'On Club, L.L.C. may authorize such use.

There may be additional recreational facilities in the subdivision which are not listed in the above chart and which will be privately owned and operated by a person or entity other than the I'On Assembly, Inc. The operation and use of, and access to, such facilities is not guaranteed and is subject to such terms and conditions and payment of such fees as the owner and operator of such facilities may establish from time to time. Any or all of such additional facilities may be operated as a private club for members and their guests. Membership in any such club may be subject to application, approval and availability, and payment of such initiation fees, dues and other charges as the owner/operator of the facility may establish and change in its sole discretion.

VARIOUS RECREATIONAL FACILITIES IN THE SUBDIVISION MAY BE OWNED AND OPERATED BY PERSONS OTHER THAN THE I'ON ASSEMBLY, INC. ANY OR ALL OF SUCH FACILITIES MAY BE OPERATED AS A PRIVATE CLUB FOR MEMBERS AND THEIR GUESTS. THERE IS NO ASSURANCE THAT YOU WILL BE ACCEPTED FOR MEMBERSHIP IN ANY SUCH PRIVATE CLUB IF YOU APPLY. IF ACCEPTED, THE COSTS OF SUCH A MEMBERSHIP MAY BE SUBSTANTIAL AND ARE IN ADDITION TO THE PURCHASE PRICE OF YOUR LOT. NO REFUND OF THE PURCHASE PRICE OF YOUR LOT WILL BE MADE IF YOU CANNOT OBTAIN A MEMBERSHIP. SINCE THE VALUE OF YOUR LOT MAY BE ADVERSELY AFFECTED BY YOUR INABILITY OR FAILURE TO OBTAIN A MEMBERSHIP, YOU SHOULD CAREFULLY CONSIDER YOUR PURCHASE OF A LOT IF IT IS BASED UPON YOUR PRESUMED ABILITY TO OBTAIN A MEMBERSHIP IN ANY PRIVATE CLUB AND TO USE ITS RECREATIONAL FACILITIES.

SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section, we will discuss the basic terrain of the subdivision, the climate of the region, and any nuisances or hazards affecting the subdivision.

GENERAL TOPOGRAPHY

The general topography of the land in the subdivision is coastal lowcountry. The elevation of the subdivision ranges between 7 to 25 feet above sea level with an average elevation of 19 feet above sea level. The major physical characteristics of the land in the subdivision include primarily fine loamy sands with excellent permeability. There are over two miles of marsh frontage and 300 feet of deep water frontage along Hobcaw Creek, and three existing man-made lakes covering approximately 24.6 acres. The headwaters of Molasses Creek and tributaries of Hobcaw Creek originate within the subdivision and traverse the property. Approximately 9% of the land within the subdivision is planned to be maintained as natural open space and 10% is planned to be developed parkland.

We are not aware of any steep slopes, rock outcroppings, unstable or expansive soil conditions, or other conditions which would necessitate the use of special construction techniques to build on or use any lot listed in this Property Report.

WATER COVERAGE

There are no lots or portions of lots listed in this Property Report that are covered by water at any time.

DRAINAGE AND FILL

Before a building can be constructed on a lot in the subdivision, it will be necessary to strip the organic topsoil from that portion of the lot lying within the building footprint and replace it with structural fill in accordance with standard construction practices. We are not aware of any lots listed in this Property Report which will require draining or significant fill prior to being used for the purpose for which they are sold. If any lots should require draining or anything more than standard structural fill prior to being used for building construction, we will be responsible for taking any corrective action that may be required.

FLOOD PLAIN

All or portions of Lots CM-9, 137 and 138 of Phase 1 are within a designated flood zone. In addition, Phase 2 of the subdivision adjoins a tidal marsh and Lots 270-276, 278-284, 294-297, 253-259, and CV-6, and Lots 192-194, 195A, 195B, 195C and 195D of Phase 2 are in a

designated A7 flood zone. All or portions of Lots 156-170 of Phase 3 are in a designated A7 flood zone. All or portions of Lots 327-329, 331-341, 351-353 and CV-7 of Phase 4 are in a designated A7 flood zone. Flood insurance is available and will be required in connection with financing of improvements to these lots should the structure(s) planned for the lots lie within the portion of the lot within the A7 flood zone. The estimated cost of flood insurance on these lots is $395 per year for a $250,000 home with $50,000 coverage for contents and a $500 deductible.

FLOODING AND SOIL EROSION

We have developed and are in the process of implementing a program which provides, or will provide, controls for soil erosion, sedimentation and storm water for the subdivision. The program includes seeding or silt fencing all exposed areas in accordance with the guidelines of the Department of Health and Environmental Control (DHEC) and the Office of Ocean and Coastal Resource Management (OCRM). The program has been reviewed and approved by all appropriate federal, state and Town of Mt. Pleasant regulatory agencies.

Implementation of the program began in August 1997 when initial soil disturbance permits were issued and is expected to be completed by June 2000 for the lots covered in this Property Report. We are obligated to comply with the program. Satisfactory completion of environmental controls is a pre-requisite to approval of a final subdivision plat for each sub-phase of the subdivision.

Prior to recording a conditional plat for any sub-phase of development, we are required to provide financial assurances to the Town of Mt. Pleasant for completion of infrastructure to serve that sub-phase. Environmental controls are an essential component of the infrastructure covered by those financial assurances. At this time, all infrastructure, including environmental controls, has been completed and final plats have superseded the conditional plats in all of Phases 1 and 3. We have obtained conditional approval of the plats for Phase 2, Subphases A-E (consisting of 80 lots), Subphase IIB Future Development Parcels (consisting of 13 lots) and Subphase IIF (consisting of 19 lots) and we have posted a letter of credit from Wachovia National Bank in an amount equal to one and one-half times our engineer's estimate of work to be complete within each of those sub-phases. No plat has been recorded yet for Phase 4. A letter of credit will be posted to assure completion of infrastructure, including environmental controls, in that phase prior to recording the conditional plat for that phase.

NUISANCES

There are no known land uses or nuisances which may adversely affect the subdivision.

HAZARDS

We are not aware of any unusual safety factors which affect the subdivision, nor are we aware of any proposed plans for construction which may create a nuisance or safety hazard or adversely affect the subdivision.

Due to its proximity to the Atlantic Ocean, the subdivision is subject to the effects of hurricanes. It has been formally identified by the Federal Emergency Management Agency as an area subject to the frequent occurrence of natural hazards, including earthquakes.

The Town of Mt. Pleasant has a rating system for fire hazard based on equipment, response time, and general effectiveness. The subdivision has a fire rating of 3 on a scale of 1 to 9 (1 being highest).

CLIMATE

The average temperature ranges for the area in which the subdivision is located are as follows:

	Summer (June-August)	Winter (November-March)
High	90.2°	57.8°
Mean	81.5°	47.8°
Low	72.7°	37.7°

The average annual rainfall is 51.53 inches and the average annual snowfall is approximately 0 inches.

OCCUPANCY

Seventy-two homes in the subdivision are occupied on a full- or part-time basis as of the date of this Property Report.

ADDITIONAL INFORMATION

In this section, we will discuss the property owners association, your liability for real estate taxes and assessments levied against subdivision lots, matters pertaining to the resale of the lots, equal opportunity in lot sales and the listing of lots within the subdivision.

PROPERTY OWNERS ASSOCIATION

I'On Assembly, Inc. ("Assembly"), is the property owners association for those lots within the subdivision which are described as Assembly Lots in the listing of lots on page 33 of this Property Report. The Assembly was formed as a South Carolina nonprofit corporation on June 4, 1998 and has been operational since that date. The incorporator was Vincent G. Graham, 516 Mathis Ferry Road, Mt. Pleasant, South Carolina 29464.

The developer holds a Founder membership in the Assembly until all lots planned for the subdivision have been conveyed to purchasers other than builders or February 9, 2018, whichever is later. As the Founder member, we have the right to exercise control over the Assembly by appointing, removing and replacing a majority of the members of the Assembly's governing board ("Board of Trustees") until the earlier of (i) the date as of which 75% of the total acreage of the property planned for inclusion in the subdivision has been conveyed to persons other than builders, or (ii) February 9, 2018, unless we voluntarily choose to relinquish such right earlier.

Actions which require a vote of the membership generally require approval of a specified percentage of the property owners and the consent of the Founder. In addition, as long as the Founder membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Trustees or any committee which we believe would tend to impair our rights or the rights of builders under the Assembly Declaration or the Assembly's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Assembly.

Membership in the Assembly is mandatory for every owner of an Assembly Lot. If title to a lot is held in joint names, all owners of such lot share privileges and responsibilities of such membership.

Each owner of an Assembly Lot is required to pay assessments to the Assembly. The annual General Assessment is currently $400 per lot. General Assessments cover the Assembly's annual operating costs. General Assessments may be adjusted each fiscal year by the Board of Trustees, subject to procedures set forth in the Declaration. The Board of Trustees may revise the budget and General Assessment from time to time and may retroactively budget and assess for any expenses incurred or shortfalls experienced by the Assembly. The Assembly may also levy Specific Area Assessments against the lots for costs of benefits or services which the

Assembly might provide only within a specified area of the subdivision. The Assembly may also levy assessments against the lot of an owner or resident who violates provisions of the Assembly Declaration or other governing documents.

The Assembly is responsible for management, operation and maintenance of the common properties; administering and enforcing the Assembly Declaration, the architectural standards known as the I'On Code, and the I'On Rules; making and amending the I'On Rules in accordance with the Assembly Declaration, and making or contracting for repairs, additions, and improvements to the common properties. It is also authorized, but not obligated, to contract for or provide services and facilities for the benefit of property owners and their lots, which might include such things as cable television service, security services, and landscape maintenance services, among other things.

In order to carry out these functions, the Assembly is authorized to adopt budgets and levy assessments against the property owners and their lots; open bank accounts, deposit funds received on behalf of the Assembly into such accounts, and use such funds to operate the Assembly; contract for insurance coverage for the Assembly; hire, compensate and fire personnel; purchase equipment, supplies and materials to be used by such personnel; and take specific enforcement action, including assessing monetary fines, suspending the right to vote and to use common properties; suspending services, exercising self-help, and bringing suit in court to enforce the governing documents. The Assembly has a duty to maintain books and records and to make them available to the members and their mortgagees.

Architectural control over the lots in the subdivision is exercised by the I'On Design Committee. We will appoint the members of the Design Committee as long as we own any property planned for inclusion in the subdivision. Thereafter, the Assembly's Board of Trustees will appoint the members of the Design Committee. The Assembly is authorized to enforce the architectural control provisions of the Assembly Declaration and the decisions of the I'On Design Committee.

There are no functions or services which we currently provide at no charge for which the Assembly may be required to assume responsibility in the future.

We believe the current level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Assembly to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet those obligations, it may be necessary for the Assembly to increase the assessments to be paid by property owners.

I'On Square Association, Inc. ("Association") is or will be the property owners association for the lots described as Commercial Lots in the listing of lots on page 33 of this Property Report. We will incorporate the Association as a South Carolina nonprofit corporation before we transfer title to any Commercial Lot.

We will have the right to appoint a majority of the members of the Association's board of directors until we have conveyed 75% of the total acreage of the property described in Exhibits "A" and "B" to the Commercial Declaration to persons other than our affiliates, or 20 years after the date on which the Declaration is recorded in the public records, whichever is earlier.

There are two classes of membership in the Association: Class A and Class B. All owners of Commercial Lots are Class A Members. We are the only Class B Member. Actions which require a vote of the membership generally require approval of a specified percentage of the Class A votes and our consent, as long as our Class B Membership exists. In addition, as long as the Class B membership exists, we have the specific right to disapprove any action, policy or program of the Assembly, the Board of Directors or any committee which we believe would tend to impair our rights or the rights of developers under the Commercial Declaration or the Association's bylaws, or interfere with development or construction, or diminish the level of services being provided by the Association. The Class B membership will terminate two years after expiration of our right to control the board of directors.

Membership in the Association is mandatory for all owners of Commercial Lots. Each owner of a Commercial Lot is obligated to pay assessments to the Association for a share of the common expenses of the Association, calculated in accordance with a formula set forth on Exhibit D to the Commercial Declaration. Assessments will vary from lot to lot based on the "Maximum Floor Area" allocated to the lot pursuant to the Commercial Declaration. Base Assessments for general common expenses are currently projected to be in the range of fifty cents (50¢) per square foot of Maximum Floor Area allocated to the lot, but are subject to increase by the board of directors from time to time in accordance with the procedures set forth in the Commercial Declaration. The Association may also levy special assessments to cover unbudgeted expenses, as well as specific assessments against the lot of an owner or occupant who violates provisions of the Commercial Declaration or other governing documents.

The Association performs much the same functions and has substantially the same powers with respect to the property subject to the Commercial Declaration as the Assembly performs with respect to the property subject to its Declaration, as described above.

We will exercise architectural control over the Commercial Lots during the development period and then will transfer responsibility for architectural control to an architectural control committee appointed by the Association's board of directors.

There are no functions or services that we currently provide at no charge for which the Association may be required to assume responsibility in the future.

We believe the projected level of assessments will be adequate, with appropriate adjustments for inflation and increases in the cost of living, for the Association to meet its present and planned financial obligations, including operating costs, maintenance and repair costs, and reserves for replacements. If the current level of assessments is not adequate to meet

those obligations, it may be necessary for the Assembly to increase the assessments to be paid by the owners of Commercial Lots.

TAXES

You will be obligated to pay real property taxes on the lot after title to the lot is transferred to you. Real property taxes on the lot will be assessed by and paid to the Town of Mt. Pleasant and Charleston County, South Carolina. For the 2000 tax year, real property taxes on property in the subdivision are assessed at a rate of $254.60 per $1,000 in assessed value of each residential lot and all structures located on the lot. The assessed value of a residential lot is currently 4% of the appraised value if the owner is a resident of Charleston County and 6% of the appraised value if the owner is not a resident of Charleston County. The assessed value of a commercial lot is currently 6% of the appraised value.

There are currently no special taxes or tax assessments which affect the subdivision. The subdivision is not currently part of a special improvement district.

RESALE OR EXCHANGE PROGRAM

Restrictions on the use of your lot have been discussed in the section of this Property Report entitled "Restrictions on the Use of Your Lot," above. Those restrictions which might hinder the lot owner in the resale of lots within the subdivision include the architectural approval and control provisions which limit or restrict the placement of signs within the subdivision and restrictions on use of Commercial Lots which may limit the number and types of resale buyers who would be interested in purchasing the lot.

Except in the case of certain exempt transfers, upon the transfer of title to a lot in the subdivision, the applicable Declaration requires the transferring owner to pay a transfer fee to the I'On Trust, a South Carolina nonprofit corporation. Such transfer fee is in the amount of one tenth of one percent (.1%) of the total cost to the purchaser of the lot and any improvements on the lot, as such cost is indicated by the amount of tax imposed by Charleston County, South Carolina on the transfer of title. You are advised to review the provisions of Article X of the Declaration regarding the transfer fee carefully before making a decision to purchase a lot.

We have no program to assist you in the resale of your lot. We do not have any provision to allow you to exchange one lot for another.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We will not directly or indirectly discriminate against you on the basis of 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, in our rendering of services to lots, in requiring terms and conditions on lot sales and leases, or in any other manner.

LISTING OF LOTS

Below is a listing of the three hundred and two (302) lots currently covered by this Property Report and intended for sale in the subdivision, as indicated on the referenced plats.

I'ON	
PLAT REFERENCE	LOTS NUMBERED
Phase 1 (128 lots)	
Phase 1A (21 lots)	Assembly Lots: 11, 14, 15, 16, 18, 25, 27, 28, 37, 42, 44, 47-49, 61, 62, 64, 66-69
Phase 1B1 (26 lots)	Assembly Lots: 10, 137-145, 147-151, 154, 155, Commercial Lots: CM1, CM2, CM4, CM5, CM6, CM7, CM8, CM9, CV-1
Phase 1B2 (4 lots)	Assembly Lots: 3, 7, 8, 9
Phase 1C (29 lots)	Assembly Lots: 50, 52-58, 70-81, 83-91
Phase 1C2 (17 lots)	Assembly Lots: 103, 110, 111, 112, 117, 120-129, 135, 136
Phase 2 (109 lots)	
Subphases IIA-E (79 lots)	Assembly Lots: 190, 196-206, 211-222, 242-263, 265-276, 278-297, CV5
Subphase IIB -future development parcels (12 lots)	Assembly Lots: Lots 191-194, 195A, 195B, 195C, 195D, 207-210
Subphase IIF (18 lots)	Assembly Lots: Lots 223-229, 231-241
Phase 3 (33 lots)	Assembly Lots: 156-188
Phase 4 (63 lots)	Assembly Lots: 301-314; 316-329; 331-363; CV-7

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER

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

Cash Price of Lot ..... $_____
Finance Charge ..... $_____

Total ..... $_____

Estimated One-Time Charges

1. Water connection fee ..... $ 874.00
2. Sewer connection fee $1,340.00
3. Electric connection fee ..... $_____
4. Telephone service installation charge ..... $_____
5. Design review fees ..... $_____
6. Other (identify) ..... $_____

Total of estimated sales price and one-time charges ..... $_____

Estimated Monthly/Annual charge
(exclusive of utility use fees)

1. Taxes -- Average unimproved lot after sale to purchaser ..... $_____
2. Dues and assessments ..... $_____

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

The I'On Company, L.L.C., a South Carolina limited liability company

By: _____ (SEAL)
Joseph E. Barnes
Its: Manager

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: December 29, 2000

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 our Property Report.

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

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

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Name of Subdivision: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

April 1, 2009

RECEIVED APR 03 2009

Mr. Tom Graham
The I'On Company
159 Civitas Street
Mount Pleasant, SC 29464

Mr. Vince Graham
The I'On Company
159 Civitas Street
Mount Pleasant, SC 29464

Gentlemen:

In 2003 I received a HUD Property Report from a representative of the I'On Company prior to my purchasing a residential lot in I'On. Among other information, the Report served to inform me about certain "recreational facilities" to be built, including the Community Dock and Creekside Park. Both of these facilities are located, according to the Report, in Phase 2 of the development. Further, the Report assures that upon completion of their construction, the recreational facilities would be transferred to the ownership of the Assembly – which was projected in the Report to be September 1999.

Every "recreational facility" listed in the chart on Page 21 of this Report was to be conveyed to the I'On Assembly "by quitclaim deed free and clear of all monetary liens and encumbrances at no cost to the I'On Assembly or its members." A bold-printed note on Page 23 informs the Buyer that "various recreational facilities in the subdivision may be owned and operated by persons other than the I'On Assembly, Inc. There is no guarantee that any such facilities will be available for use by lot owners." This statement makes clear that the "recreational facilities" listed in the chart on Page 21, however, *will be* owned, operated, and available for use by lot owners.

As a lot owner, I could assume in 2003 that the conveyance of the recreational facilities was complete, as almost four years had passed since the estimated time of completion and conveyance stated in the Report. I relied upon the information regarding the recreational amenities (contained in the Report signed by Vince Graham) being correct and pertinent to me as a Buyer. It was presented to me by his representative, as provided for in Section 10 of the "Lot Purchase Agreement," and the Report stated above his signature, "The information contained in the Property Report is an accurate description of our subdivision and development plans."

When the Community Dock and Creek Club were recently offered for sale, I learned these facilities were never yet conveyed to the Assembly, as set forth in the HUD Property Report. While the Creek Club was not mentioned in the Report, the offering of

"Creekside Park" was certainly an inducement. One would assume it to be a waterfront park, although no description was included, as required by HUD 1710.214:

§ 1710.214 Recreational facilities.

(a) Submit a synopsis of the proposed plans and estimated cost of any proposed or partially constructed recreational facility disclosed in §1710.114. **This item should include the general dimensions and a brief description of the facility** but it should not include blueprints or similar technical materials.

This leads the Buyer to look to other documents, including the I'On Impact Assessment, for answers to the identity of Creekside Park. The Impact Assessment references a park on Middle Street in the Old Village of Mount Pleasant, and it even includes a photograph of this park. In fact, this Middle Street park is the home to Alhambra Hall, a special event venue strikingly similar to our own Creek Club. Both facilities are surrounded by a lawn of park area and both are located on waterfront parcels. If descriptions and models in the Impact Assessment are to be trusted, then the vision of this park on Middle Street would have been realized with the construction of the Creek Club and its surrounding park on Civic Site 6. The Property Report chart included an entry for "paths and trails" in Phase 2, so clearly the marsh walk trail was already accounted for in the list of facilities. There was no model mentioned in the Impact Assessment of the Newport, Rhode Island linear park, which Chad Besenfelder claimed was the inspiration for the marsh walk (park) he would have us believe was formerly known as Creekside Park.

I'On is a truly unique community, and you are to be applauded for your execution of its plan. As a resident, I understandably want to do all I can to make certain that the neighborhood's reality matches the neighborhood's models and promises, as set forth in the document(s) which created the development years ago.

Sincerely,

Lea Ann Adkins

I'ON
GROUP

December 15, 2009

Mr. Daniel Johnson
U.S. Department of HUD
Office of Interstate Land Sales Registration
Room 9146, 451 Seventh Street, S.W.
Washington, DC 20410

Re: I'On subdivision; ILS Number: 30264
Initial Effective Date: November 3, 1998

Dear Mr. Johnson:

As manager and authorized agent of The I'On Company, L.L.C., the developer of the above-referenced subdivision, I am enclosing a Request for Voluntary Suspension of the Statement of Record pursuant to Section 1710.310 of implementing regulations of the Interstate Land Sales Full Disclosure Act (15 U.S.C. §1701 *et seq.*).

If you have questions related to this request, please contact me.

Sincerely,

Vincent G. Graham

Enclosure
cc: Jo Anne P. Stubblefield



159 Civitas Street, Mt. Pleasant, South Carolina 29464 Telephone: 843.971.1662 Facsimile: 843.971.1664 www.iongroup.com



Plaintiff's Exhibit
145

Expired CV-5

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, § 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of this 18 day of December, 2008, by and between Thomas C. Graham, Vincent G. Graham and Geoffrey D. Graham (collectively "Seller"), and Michael Russo and permitted assigns ("Buyer").

RECITALS

WHEREAS, Buyer and I'On Club, LLC have entered into an Amended and Restated Purchase and Sale Agreement, of even date herewith, for the purchase and sale of certain real and personal property relating to the operation of the I'On Creek Club described therein (the "Creek Club Agreement");

WHEREAS, the parties have agreed that Seller's obligation to sell the Property (as hereafter defined) to Buyer is contingent on Buyer consummating the transactions described in Creek Club Agreement simultaneously with the closing of the Property; and

WHEREAS, subject to the terms and conditions described herein, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property; now therefore:

For and in consideration of the sum of Ten and No/100ths Dollars ($10.00) paid by Buyer to Seller and subject to the mutual terms, covenants, conditions and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of Property. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, a certain parcel of real property located in the Town of Mount Pleasant, County of Charleston, and State of South Carolina, which property is more particularly described in Exhibit A attached hereto, incorporated herein and made a part hereof (the "Property").

2. Purchase Price and Deposit. The consideration to be paid to the Seller for the Property at the Closing is Three Hundred Fifty Thousand and 00/100 Dollars ($350,000.00) for the Property ("Purchase Price"), payable as follows:

(a) On or before the Effective Date, the Buyer shall deposit the sum of Two Thousand and 00/100 Dollars ($2,000.00) (together with any Additional Deposits described below "Deposit") with I'On Realty Company, LLC, or its assigns ("Escrow Agent") to be held in escrow in a non-interest bearing account by Escrow Agent as provided herein. Unless this

PLAINTIFF'S EXHIBIT 146 Marked

Agreement is sooner terminated as provided herein, the Deposit shall be applied to the Purchase Price at Closing (as hereinafter defined); and

(b) The balance of the Purchase Price, less credit for the Deposit and further subject to such other credits, prorations and adjustments as are provided herein, shall be paid at Closing by Buyer in immediately available funds.

3. Closing. The closing of the purchase and sale of the Property, herein called "Closing", shall be held thirty (30) days after the expiration of the Inspection Period, as hereinafter defined (the "Closing Date"), at 10:30 a.m. at the offices of Buyer's attorney or at such other place as shall be mutually agreeable to the parties hereto. The Closing Date may be extended up to two times at Buyer's option, such extensions to be for thirty (30) days each. For each extension of the Closing Date, Buyer shall remit directly to Seller an additional earnest money deposit in the amount of Ten Thousand and 00/100 Dollars ($10,000.00) (each an "Additional Deposit" and collectively, the "Additional Deposits"), which Additional Deposits shall be non-refundable (except in the case of Seller's default hereunder) and shall apply to the Purchase Price at Closing. Buyer acknowledges and agrees that the Closing shall be held simultaneously with the closing of the property described in the Creek Club Agreement and that any 30 day extension of either this Agreement or the Creek Club Agreement shall automatically extend the other for the same period. Further, each 30 day extension shall require additional earnest money deposits in the amount of $20,000.00 ($10,000.00 under this Agreement and $10,000.00 under the Creek Club Agreement). On the date of the Closing, the Seller shall execute, where necessary, and deliver to Buyer the following:

(a) A general warranty indenture deed in recordable form conveying the Property to Buyer in fee simple free and clear of all liens and encumbrances except for zoning and other applicable laws, and any other agreements, covenants, conditions, easements, and restrictions of record which may affect the Property and the following matters (collectively, the "Permitted Exceptions"):

(i) all matters shown on any plat of the Property;

(ii) a reservation of non-exclusive easements for the installation and maintenance of all utilities (i) adjacent to, parallel with and within 3 feet of the two side boundary lines of the Property, and (ii) within applicable setbacks for the front and rear boundary lines;

(iii) the restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(iv) ad valorem property taxes and governmental assessments not due and payable prior to Closing; and

(v) other matters approved or waived by Buyer as provided for in this Agreement.

Notwithstanding anything contained herein to the contrary, if the Property is ever used for residential purposes, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Declaration"), and all related documents referenced therein, and those set forth in the I'On Code.

(b) A FIRPTA Certificate and Seller's tax identification number or Social Security Number.

(c) an officer's affidavit of Seller certifying as to the validity and accuracy of the attached certificates of existence and good standing, certified copies of articles of organization or incorporation, operating agreement or bylaws, authorizing resolutions, and incumbency of the persons executing the transaction documents.

(d) Seller's affidavits and state tax withholding affidavits.

(e) A Certificate of Tax Compliance from the S.C. Department of Revenue.

(f) Such other documents as may reasonably be requested by Buyer to effectuate the transactions contemplated hereunder.

The sale described herein shall be closed pending recording of all recordable documents. Each party shall at any time and from time to time after the Closing execute, acknowledge where required, and deliver such further instruments and documents, and take such other action as may be reasonably requested by the other party in order to carry out the purposes of this Agreement.

4. Inspection Period.

(a) Buyer acknowledges that Buyer has made a personal, on the lot inspection of the Property prior to signing this Agreement. For the period commencing on the Effective Date and expiring on March 2, 2009 (the "Inspection Period"), Buyer and its agents shall have the right to make an inspection of the Property, including title matters, soil, engineering, planning, environmental, permitting, zoning or other studies and investigations as Buyer shall deem appropriate. Buyer shall have the right to physically inspect the Property during the Inspection Period and determine whether the Property is satisfactory for Buyer's contemplated use thereof. Buyer or Buyer's authorized representatives shall have the right from and after the Effective Date to enter upon and make tests on the Property, including, but not limited to, tests to determine the presence of any hazardous materials. Buyer shall pay all costs incurred by Buyer

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in making any such inspections and investigations and shall indemnify, defend and hold the Seller harmless from any liens, claims, losses and liabilities arising out of the Buyer's exercise of such right and privilege to go upon the Property. If the Property is disturbed in any manner by Buyer or its agents or representatives in accomplishing such inspections, tests or investigation, Buyer shall restore the Property to its prior existing condition or a condition as close thereto as commercially reasonable.

Buyer acknowledges that this Agreement is entered into by Buyer without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Property, the zoning or use of the Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Property, or other matters, except as set forth in this Agreement between Seller and Buyer. Buyer warrants and represents to Seller that if such matters are of concern to him, Buyer has sought and obtained independent advice relative thereto.

(b) In the event Buyer, in Buyer's sole judgment and discretion, concludes that said inspections, reviews, studies and/or investigations are not satisfactory, for any or no specific reason, then Buyer may terminate this Agreement by delivering written notice of such determination to Seller on or before the expiration of the Inspection Period. If Buyer fails to timely give such notice of termination to Seller, this paragraph shall be of no further force and effect, and Buyer shall have no further right to terminate this Agreement pursuant to this paragraph. If Buyer does give notice of termination to Seller on or before the expiration of the Inspection Period, then the Deposit shall be refunded to Buyer, less the sum of One Hundred and 00/100 Dollars ($100.00) as consideration for Buyer's inspection rights as set forth herein, and the parties hereto shall have no further rights, duties or obligations under this Agreement.

5. Conditions to Closing. Seller's obligation to close shall be contingent upon Buyer consummating the transactions described in the Creek Club Agreement simultaneously with the closing of the Property.

6. Seller's Representations and Warranties. Seller represents and warrants as of the date hereof (or as of the date of delivery of the relevant schedules, as applicable) and as of the Closing Date as follows:

(a) Seller is duly organized and in good standing under the laws of the state of South Carolina and is duly qualified to transact business in South Carolina and has all requisite powers to enter into this Agreement and to perform Seller's obligations hereunder and under any document required to be executed or delivered on behalf of Seller hereunder.

(b) This Agreement has been duly authorized by all necessary action on the part of the Seller, has been duly executed and delivered on behalf of the Seller, constitutes the valid and binding agreement of the Seller, and is enforceable in accordance with its terms. Seller

is not now bankrupt or insolvent, nor will it be made insolvent as a result of this transaction, and Seller does not expect to file for bankruptcy or other protection or relief from creditors.

7. Disclosures.

(a) Stormwater Management. Buyer acknowledges and agrees that the Property is also subject to federal and state stormwater management laws and regulations currently administered by the Office of Ocean and Coastal Resource Management ("OCRM") of the South Carolina Department of Health and Environmental Control ("DHEC") and agrees for himself, his assigns and his successors in title to abide by them.

(b) Governing Documents: By initialing this section, Buyer acknowledges the receipt of copies of the following documents prior to entering into this Agreement: (a) the Declaration, (b) the By-Laws of I'On Assembly, Inc. ("By-Laws"), and (c) The I'On Code, (collectively, the "Governing Documents").

Buyer's Initials MW Date 12-21, 2008

(c) Membership in Assembly: Buyer acknowledges and agrees that if the Property is ever used for residential purposes, it shall automatically become subject to the Plat and the Governing Documents and Buyer and any successor in title shall automatically become a member of the Assembly and remain a member so long as Buyer and any successor in title hold title to the Property.

(d) Neighborhood Improvements: Buyer acknowledges that inasmuch as Buyer may be purchasing the Property prior to the completion of construction on other lots and streets in the Neighborhood, there may be certain inconveniences until all such construction is completed, and Buyer waives all claims with respect thereto. Buyer agrees that if Buyer, his family, guests, employees, agents or invitees enter onto any area of construction, they do so at their own risk, and neither The I'On Company, LLC, Buyer's Builder, or their respective contractors, agents, or employees, shall be liable for any damage, loss or injury to such person.

8. Exemption from Interstate Land Sales Full Disclosure Act, Title 15, U.S. Code, Section 1701, et seq. This transaction is exempt from the Interstate Land Sales Full Disclosure Act pursuant to Section 1702 of Title 15 of the United States Code. In that connection, Seller represents to Buyer that:

(a) The Property is located within the Town of Mt. Pleasant (the "Town") which specifies minimum standards for the development of subdivision lots taking place within its boundaries;

(b) The subdivision meets all local codes and standards, and each lot being offered for sale is subject to restrictive covenants that it be used for single family residences only;

(c) The Property is or will be located on a paved street which has been built to standards applicable to streets maintained by the Town and is acceptable to the Town, or where such street is not completed, a bond or other surety acceptable to the Town has been posted to assure completion to such standards, and further the Town has accepted or is obligated to accept the responsibility of maintaining such street;

(d) At the time of closing, potable water, sanitary sewage disposal, and electricity will have been extended to the Property;

(e) The Seller will deliver a general warranty indenture deed free of monetary liens to the Buyer at closing, and the closing will occur within 180 days after the signing of this Agreement.

(f) At the time of closing, Seller will provide to Buyer a title insurance binder or title opinion in favor of the Buyer reflecting the condition of title, and demonstrating that, subject only to such exceptions as are set forth herein which the Buyer (by the execution of this Agreement) specifically approves, marketable title to the Property is vested in the Seller; and

(g) There are no offers, by direct mail or telephone solicitation, of gifts, trips, dinners, or other such promotional techniques to induce prospective buyers to visit the subdivision or to purchase a lot.

9. Subdivision Improvements and Amenities. Buyer and Seller agree that no representations regarding the provision or completion by the Seller of roads, sewer, gas, or electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Buyer, except as specifically set forth in this Agreement or any Addendums, exhibits or attachments. At or prior to Closing, Seller shall complete, or shall post a bond with the Town of Mount Pleasant, South Carolina or Charleston County, South Carolina, as appropriate, to provide financial assurances for completion of paved access from a public street or highway, central water and sewer service, and electricity to serve the Property.

10. Brokerage Commission. Buyer and Seller each represents to the other that they have not dealt with any real estate broker or agent to which a real estate commission is or shall become due in connection with this transaction. Buyer and Seller each hereby indemnifies the other against and agrees to hold the other harmless from any liability or claim for any real estate brokerage commission or similar fee or compensation arising out of or in any way connected with any claimed agency or cooperative relationship with the indemnitor and relating to this Agreement or the purchase and sale of the Property. The terms of this paragraph shall survive the rescission, cancellation, termination or consummation of this Agreement.

11. Closing Costs. The Seller shall be responsible for the fees and expenses of Seller's attorneys, deed preparation fees, the fees or taxes for documentary stamps or other transfer taxes, including all fees due pursuant to South Carolina Code Sections 12-24-10, et seq. with respect to the transfer of the Property to the Buyer, real estate or brokerage commissions to be paid by Seller pursuant to the terms hereof, and any other costs and expenses actually incurred by the Seller. The Buyer shall be responsible for the fees and expenses of Buyer's attorneys, real estate or brokerage commissions (if any) to be paid by Buyer pursuant to the terms hereof, and any other costs and expenses actually incurred by the Buyer. All other closing costs, if any, shall be allocated between Buyer and Seller as is customary in the applicable jurisdiction where the Property is located.

12. Possession. Buyer shall be entitled to possession of the Property upon Closing.

13. Default and Remedy.

(a) If Seller has performed its covenants and agreements hereunder but Buyer has breached its covenants and agreements hereunder and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, Seller shall be entitled to retain the Deposit paid by Buyer to Seller as and for Seller's liquidated damages and sole remedy for Buyer's default. If Seller has breached its covenants and agreements under this Agreement and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, then Buyer may (i) proceed against Seller to enforce its rights hereunder in an action for specific performance, or (ii) elect to terminate this Agreement, in which case Buyer shall be entitled to a full refund of the Deposit, plus any interest thereon.

(b) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the defaulting party shall reimburse the nondefaulting party for reasonable attorney's fees and expenses (including without limitation paralegal fees), including those incurred on appeal.

14. Assignment. This Agreement shall not be assigned by either party without the written consent of the other party, provided that Buyer may assign this Agreement without the consent of Seller to an entity that is at least 50% owned or controlled by Buyer.

15. Survival. Except as otherwise expressly set forth herein, all of the terms, conditions, covenants, representations, warranties and agreements of this Contract shall survive and continue in full force and effect and shall be enforceable after the Closing.

16. Notice. All notices shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) three (3) days after deposit in the United States Mail, with adequate postage, and sent by registered or certified mail with return receipt requested, to the appropriate party at the address set out below, (iii) one (1) Business Day after deposit with Federal Express, Express Mail or other overnight delivery service for next day

delivery, addressed to the appropriate party at the address set out below, or (iv) when transmitted by facsimile to the facsimile number for each party set forth below, and a copy of such facsimile is sent out by one of the methods set forth in clauses (i) through (iii) above. No notice shall be deemed properly given unless sent by one of the methods set forth above and actually received or refused on a Business Day (as defined herein).

AS TO BUYER:

Michael Russo

Fax No. _____

AS TO SELLER:

159 Civitas Street
Mt. Pleasant, SC 29464
Fax: 843.971.4748

WITH A COPY TO:

Daniel Q. Orvin
Buist Moore Smythe McGee P. A.
Post Office Box 999
Charleston, South Carolina 29402
Fax No. 843-723-7398

17. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreement between the parties. It is expressly agreed that there are no verbal understandings or agreements which in anyway change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

18. Severability. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect and the parties shall use their best efforts to substitute a like but enforceable and valid provision in lieu of the unenforceable or invalid provision.

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19. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

20. Governing Law. This Agreement shall be governed by the law of the State of South Carolina.

21. Effective Date. The "Effective Date" of this Agreement for all purposes shall be the date when a fully-executed counterpart to this Agreement is delivered to the Buyer, signed and initialed by Buyer and Seller.

22. Business Days. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, occurs on a non-Business Day, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day. As used herein "Business Day" shall mean any day other than Saturday, Sunday and any other day that is a national holiday in the United States or a state holiday in the State of South Carolina, or is a day on which banking institutions in either such nation or state are authorized or required by law or other governmental action to close.

23. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all copies shall constitute but one and the same Agreement, binding on all parties hereto, whether or not each counterpart is executed by all parties hereto, so long as each party hereto has executed one or more counterparts hereof.

24. Facsimile Signatures. The parties hereto acknowledge and agree that any party may execute and deliver facsimile copies of this Agreement and said facsimile copies will have the same binding effect as executed original counterparts.

25. Arbitration. Any claims or disputes arising out of or related to this Agreement are subject to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association, as amended and in effect at the time of such hearing. The arbitration shall take place in Charleston, South Carolina. Each party shall use all reasonable efforts to ensure that any arbitration proceeding is completed within sixty (60) days following notice of a request for arbitration hereunder. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable.

26. WAIVER OF JURY TRIAL. THE BUYER AND THE SELLER WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT.

27. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement to be executed as of the date and year first above written.

WITNESSES:

CHAD D. BESENFELDER

SELLER:

Thomas C. Graham

Vincent G. Graham

Geoffrey D. Graham

BUYER:

Michael Russo

EXHIBIT A

Real Property Description

ALL that certain lot, piece or parcel of land and all improvements thereon located in I'On, situate, lying and being in the Town of Mt. Pleasant, Charleston County, South Carolina, shown and designated as CV-5 on a plat entitled, "FINAL PLAT OF PHASE 2, SUBPHASES B THROUGH F, I'ON, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, S.C." prepared by Thomas & Hutton Engineering Co., dated September 12, 2000, and recorded on January 30, 2001 in the RMC Office for Charleston County in Plat Book EE, at Page 573, said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS No.: 535-06-00-219 (Lot CV-5)

Expired CV-6

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, § 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

THIS AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of this 18 day of DECEMBER, 2008, by and between I'On Club, LLC, a South Carolina limited liability company ("Seller"), and Michael Russo and his permitted assigns ("Buyer").

RECITALS

WHEREAS, Seller is the owner of certain Real Property (as hereafter defined) and personal property, and Seller rents the building and associated facilities located on such Real Property, together with certain personal property for various events under the name I'On Creek Club (the "Creek Club"); and

WHEREAS, Seller and Buyer previously entered to a Purchase and Sale Agreement dated August 26, 2008 ("Original Agreement") wherein Buyer agreed to purchase certain assets of Seller related to the operation of the Creek Club, as more fully described herein;

WHEREAS, Buyer and Thomas C. Graham, Vincent G. Graham and Geoffrey D. Graham (collectively, "Graham") have entered into a Purchase and Sale Agreement of even date herewith, for the purchase and sale of certain real property described therein (the "Graham Agreement");

WHEREAS, the parties have agreed that Seller's obligation to sell the Property (as hereafter defined) to Buyer is contingent on Buyer consummating the transactions described in the Graham Agreement simultaneously with the closing of the Property;

WHEREAS, Buyer and Seller desire to amend and restate the Original Agreement as provided herein.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100ths Dollars ($10.00) paid by Buyer to Seller and subject to the mutual terms, covenants, conditions and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of Assets. Seller agrees to sell and Buyer agrees to purchase the following assets of Seller (the "Assets"):

(a) the property more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with all buildings, structures and improvements thereon, fixtures and equipment, including any light fixtures, and also together with all and

singular the tenements, hereditaments, rights, easements and appurtenances now or hereafter belonging thereto, (collectively, the "Real Property");

(b) All fixtures, appliances, tables, chairs, and exterior furniture used or held for use in connection with the business or operation of the Creek Club (collectively, the "Personal Property");

(c) All of Seller's interest in leases, subleases, and rental agreements that grant a possessory interest in and to any space situated on the Real Property or that otherwise grant rights with regard to use of all or any portion of the Real Property, and all prepaid rentals (to the extent applicable to a period beyond the Closing Date and security deposits thereunder (collectively, the "Assumed Leases"); and

(d) All contracts, options, purchase orders, commitments or other agreements relating to the Assets or the operation of the Creek Club (collectively, the "Assumed Agreements", together with the Assumed Leases, the "Assumed Contracts"); and

Buyer shall not assume, in connection with the transactions contemplated hereby, any liability or obligation of the Seller whatsoever, and the Seller shall retain responsibility for all liabilities and obligations accrued or incurred prior to Closing and all liabilities and obligations arising from the Seller's operations prior to Closing, whether or not accrued and whether or not disclosed. As the sole exception to the previous sentence, effective as of the time of Closing, the Buyer shall assume the obligations of the Seller under each Assumed Contract that is expressly assumed by Buyer in accordance with the terms hereof to the extent such obligations are not required to be performed prior to Closing, and accrue and relate to the operation of the Creek Club subsequent to the Closing.

2. Purchase Price and Deposit. The consideration to be paid to the Seller for the Assets at the Closing is One Million Four Hundred Thousand and 00/100 Dollars ($1,400,000.00) for the Assets ("Purchase Price"), payable as follows:

(a) On or before the Effective Date, Buyer shall deposit an earnest money deposit in the sum of Twenty- Three Thousand and 00/100 ($23,000.00) Dollars (together with any Additional Deposits described below, the "Deposit") with I'On Realty Company, LLC, or its assigns ("Escrow Agent") to be held in escrow in a non-interest bearing account by Escrow Agent as provided herein. Unless this Agreement is sooner terminated as provided herein, the Deposit shall be applied to the Purchase Price at Closing (as hereinafter defined); and

(b) The balance of the Purchase Price, less credit for the Deposit and further subject to such other credits, prorations and adjustments as are provided herein, shall be paid at Closing by Buyer in immediately available funds.

3. Closing. The closing of the purchase and sale of the Assets, herein called "Closing", shall be held thirty (30) days after the expiration of the Inspection Period, as hereinafter defined (the "Closing Date"), at the offices of Buyer's attorney or at such other place

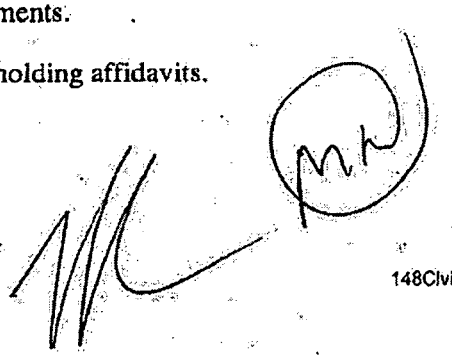
as shall be mutually agreeable to the parties hereto. The Closing Date may be extended up to two times at Buyer's option, such extensions to be for thirty (30) days each. For each extension of the Closing Date, Buyer shall remit directly to Seller an additional earnest money deposit in the amount of Ten Thousand and 00/100 Dollars ($10,000.00) (each an "Additional Deposit" and collectively, the "Additional Deposits"), which Additional Deposits shall be non-refundable (except in the case of Seller's default hereunder) and shall apply to the Purchase Price at Closing. Buyer acknowledges and agrees that the Closing shall be held simultaneously with the closing of the property described in the Graham Agreement and that any 30 day extension of either this Agreement or the Graham Agreement shall automatically extend the other for the same period. Further, each 30 day extension shall require additional earnest money deposits in the amount of $20,000.00 ($10,000.00 under this Agreement and $10,000.00 under the Graham Agreement). On the date of the Closing, the Seller shall execute, where necessary, and deliver to Buyer the following:

A Limited Warranty Deed in recordable form conveying the Real Property to Buyer in fee simple free and clear of all liens and encumbrances other than (i) taxes for the then current year which are not yet due and payable, (ii) all agreements, covenants, conditions, easements, and restrictions of record which may affect the Real Property, (iii) the matters set forth in Exhibit B attached hereto and incorporated herein by reference, and (iv) all facts which are shown on any survey of the Property, and (v) other matters approved or waived by Buyer as provided for in this Agreement (collectively, the "Permitted Exceptions"). Notwithstanding anything contained herein to the contrary, if the Property is ever used for residential purposes, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Declaration"), and all related documents referenced therein, and those set forth in the I'On Code. Buyer acknowledges and agrees that if the Property is ever used for residential purposes, Buyer and any successor in title shall automatically become a member of the Assembly and remain a member so long as Buyer and any successor in title hold title to the Property.

(a) A FIRPTA Certificate and Seller's tax identification number or Social Security Number.

(b) an officer's affidavit of Seller certifying as to the validity and accuracy of the attached certificates of existence and good standing, certified copies of articles of organization or incorporation, operating agreement or bylaws, authorizing resolutions, and incumbency of the persons executing the transaction documents.

(c) Seller's affidavits and state tax withholding affidavits.



(d) One or more bills of sale and assignments, executed by Seller in form and substance reasonably satisfactory to Buyer, conveying the Assets (other than the Real Property) to Buyer free and clear of all encumbrances.

(e) A Certificate of Tax Compliance from the S.C. Department of Revenue.

(f) Such other documents as may reasonably be requested by Buyer to effectuate the transactions contemplated hereunder.

The sale described herein shall be closed in escrow pending recording of all recordable documents. Each party shall at any time and from time to time after the Closing execute, acknowledge where required, and deliver such further instruments and documents, and take such other action as may be reasonably requested by the other party in order to carry out the purposes of this Agreement.

4. Inspection Period.

(a) Buyer shall have the right to review business records related to the operation of the Creek Club. Within ten (10) Business Days following the written request of Buyer identifying with specificity the documents sought for review, Seller shall make available to Buyer copies of such records. Within fourteen (14) Business Days following the Effective Date of this Agreement Seller shall provide to Buyer a schedule and copies of the Assumed Contracts and a schedule of all Personal Property.

(b) For the period commencing on the Effective Date and expiring on March 2, 2009 (the "Inspection Period"), Buyer and its agents shall have the right to make an inspection of the Assets, including title matters, soil, engineering, planning, environmental, permitting, zoning or other studies and investigations as Buyer shall deem appropriate. Buyer shall have the right to inspect each of the Required Information Materials during the Inspection Period. Buyer shall have the right, during the Inspection Period, to examine and inspect the books and records relating to operations of the Creek Club and the Assets, which books and records shall be made available to Buyer at the Seller's office during normal business hours. Buyer shall have the right to physically inspect the Assets during the Inspection Period, conduct such studies and review such of the books and records relating to the operation of the Creek Club as Buyer may elect, and determine whether the Assets are satisfactory for Buyer's contemplated use thereof. Buyer or Buyer's authorized representatives shall have the right from and after the Effective Date to enter upon and make tests on the Real Property, including, but not limited to, tests to determine the presence of any hazardous materials. Such inspections are to be conducted in a manner as not to unreasonably interfere with the operation of the Creek Club by Seller. Buyer shall pay all costs incurred by Buyer in making any such inspections and investigations and shall indemnify, defend and hold the Seller harmless from any liens, claims, losses and liabilities arising out of the Buyer's exercise of such right and privilege to go upon the Real Property. If the Real Property is disturbed in any manner by Buyer or its agents or representatives in accomplishing such inspections, tests or investigation, Buyer shall restore the Real Property to its prior existing condition or a condition as close thereto as commercially

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reasonable. Buyer acknowledges that this Agreement is entered into by Buyer without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Assets, the zoning or use of the Real Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Assets, or other matters, except as set forth in this Agreement between Seller and Buyer. Buyer warrants and represents to Seller that if such matters are of concern to him, Buyer has sought and obtained independent advice relative thereto.

(c) In the event Buyer, in Buyer's sole judgment and discretion, concludes that said inspections, reviews, studies and/or investigations are not satisfactory, for any or no specific reason, then Buyer may terminate this Agreement by delivering written notice of such determination to Seller on or before the expiration of the Inspection Period. If Buyer fails to timely give such notice of termination to Seller, this paragraph shall be of no further force and effect, and Buyer shall have no further right to terminate this Agreement pursuant to this paragraph. If Buyer does give notice of termination to Seller on or before the expiration of the Inspection Period, then the Deposit shall be refunded to Buyer, less the sum of One Hundred and 00/100 Dollars ($100.00) as consideration for Buyer's inspection rights as set forth herein, and the parties hereto shall have no further rights, duties or obligations under this Agreement.

5. Conditions to Closing. The following shall be conditions to the applicable parties' obligation to close the contemplated transaction:

(a) If Seller determines that the consummation of the transactions contemplated hereby violates any third party rights ("Third Party Violation"), Seller shall disclose such Third Party Violation to Buyer and either party may elect to terminate this agreement within fourteen (14) days from Buyer's receipt of written notice of the same.

(b) Seller's obligation to close shall be contingent upon Buyer consummating the transactions described in the Graham Agreement simultaneously with the closing of the Property.

(c) Buyer acknowledges that certain third parties have access easement rights over the Real Property to access the boat ramp and dock facilities located thereon and that certain other third parties may have rights in those and other Assets. Additionally, Buyer acknowledges that Seller may be required to enter into certain third party agreements affecting the Assets to consummate this transaction. Buyer shall have the right to (i) terminate this Agreement within ten (10) days from receipt of any third party agreement if the terms of the same are unacceptable to Buyer, in his reasonable discretion, or (ii) proceed to Closing without a deduction in the Purchase Price.

Upon termination by either party in accordance with this Paragraph 5, the Deposit will be refunded to Buyer, and the parties hereto will have no further rights, duties or obligations under

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this Agreement.

6. Seller's Representations and Warranties. Seller represents and warrants as of the date hereof (or as of the date of delivery of the relevant schedules, as applicable) and as of the Closing Date as follows:

(a) Seller is duly organized and in good standing under the laws of the state of South Carolina and is duly qualified to transact business in South Carolina and has all requisite powers to enter into this Agreement and to perform Seller's obligations hereunder and under any document required to be executed or delivered on behalf of Seller hereunder.

(b) This Agreement has been duly authorized by all necessary action on the part of the Seller, has been duly executed and delivered on behalf of the Seller, constitutes the valid and binding agreement of the Seller, and is enforceable in accordance with its terms. Seller is not now bankrupt or insolvent, nor will it be made insolvent as a result of this transaction, and Seller does not expect to file for bankruptcy or other protection or relief from creditors.

8. Operation Prior to Closing. Between the date hereof and the Closing Date, Seller will conduct the operation of the Creek Club in the ordinary course in accordance with its past practices (except where such conduct would conflict with the obligations of Seller under this Agreement).

7. Brokerage Commission. Buyer and Seller each represents to the other that they have not dealt with any real estate broker or agent to which a real estate commission is or shall become due in connection with this transaction. Buyer and Seller each hereby indemnifies the other against and agrees to hold the other harmless from any liability or claim for any real estate brokerage commission or similar fee or compensation arising out of or in any way connected with any claimed agency or cooperative relationship with the indemnitor and relating to this Agreement or the purchase and sale of the Assets. The terms of this paragraph shall survive the rescission, cancellation, termination or consummation of this Agreement.

8. Closing Costs. The Seller shall be responsible for the fees and expenses of Seller's attorneys, deed preparation fees, the fees or taxes for documentary stamps or other transfer taxes, including all fees due pursuant to South Carolina Code Sections 12-24-10, et seq. with respect to the transfer of the Real Property to the Buyer, real estate or brokerage commissions to be paid by Seller pursuant to the terms hereof, and any other costs and expenses actually incurred by the Seller. The Buyer shall be responsible for the fees and expenses of Buyer's attorneys, real estate or brokerage commissions (if any) to be paid by Buyer pursuant to the terms hereof, and any other costs and expenses actually incurred by the Buyer. All other closing costs, if any, shall be allocated between Buyer and Seller as is customary in the applicable jurisdiction where the Real Property is located.

9. Adjustments and Prorations.



(a) Adjustments and Prorations. Except as otherwise provided herein, the following matters and items shall be apportioned on the Closing Date between the parties hereto or, where applicable, credited in total to a particular party:

(i) Taxes and Assessments. All ad valorem taxes, personal property taxes, water and sewer rents, rates and charges and vault charges and other municipal permit fees.

(ii) Utilities. Telephone and other communications, water, sewer, heat, steam, electric power, gas, lighting and any other utility service, with Seller receiving a credit for all deposits, if any, made by Seller as security under any such public service contracts if the same is transferable and provided such deposit remains on deposit for the benefit of Buyer.

(iii) Assumed Contracts. Seller shall deliver to Buyer the amount of all refundable security deposits and fees held by, or paid to, Seller under the Assumed Contracts or, alternatively, the Buyer, in Buyer's discretion, shall receive a cash credit for such amounts at Closing.

10. Estimates and Adjustments; Accounting. If the actual amount of any item is not known as of Closing, the proration will be based on the most current and accurate billing information available. If the actual amount of any such item, when later determined, and prorated for the applicable period, differs from the credit given therefor, the parties shall promptly make the appropriate adjustment, and the party owing sums by reason of such adjustment shall promptly remit such sums to the other party.

11. Possession. Buyer shall be entitled to possession of the Assets upon Closing.

12. Default and Remedy.

(a) If Seller has performed its covenants and agreements hereunder but Buyer has breached its covenants and agreements hereunder and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, Seller shall be entitled to retain the Deposit paid by Buyer to Seller as and for Seller's liquidated damages and sole remedy for Buyer's default. If Seller has breached its covenants and agreements under this Agreement and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, then Buyer may (i) proceed against Seller to enforce its rights hereunder in an action for specific performance, or (ii) elect to terminate this Agreement, in which case Buyer shall be entitled to a full refund of the Deposit..

(b) Seller agrees to indemnify, defend, and hold Buyer harmless from and against all demands, claims, actions, losses, damages, liabilities, costs, and expenses, including without limitation reasonable attorney's fees and expenses, asserted against or incurred by the Buyer resulting from or arising out of (i) a breach of any covenant, agreement, representation, or warranty of Seller contained in this Agreement, or (ii) operation of Creek Club and

ownership of the Assets by Seller prior to the Closing. Buyer agrees to indemnify, defend, and hold Seller, its affiliates, and each of their officers, managers, directors, members, shareholders, employees, and agents (collectively, the "Seller's Indemnitees") harmless from and against all demands, claims, actions, losses, damages, liabilities, costs, and expenses, including without limitation reasonable attorney's fees and expenses, asserted against or incurred by the Seller's Indemnitees resulting from or arising out of (i) a breach of any covenant, agreement, representation, or warranty of Buyer contained in this Agreement or (ii) the operation of the Creek Club and ownership of the Assets by Buyer following the Closing.

(c) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the defaulting party shall reimburse the nondefaulting party for reasonable attorney's fees and expenses (including without limitation paralegal fees), including those incurred on appeal.

13. Survival. Except as otherwise expressly set forth herein, all of the terms, conditions, covenants, representations, warranties and agreements of this Contract shall survive and continue in full force and effect and shall be enforceable after the Closing.

14. Assignment. This Agreement shall not be assigned by either party without the written consent of the other party, provided that Buyer may assign this Agreement without the consent of Seller to an entity that is at least 50% owned or controlled by Buyer.

15. Notice. All notices shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) three (3) days after deposit in the United States Mail, with adequate postage, and sent by registered or certified mail with return receipt requested, to the appropriate party at the address set out below, (iii) one (1) Business Day after deposit with Federal Express, Express Mail or other overnight delivery service for next day delivery, addressed to the appropriate party at the address set out below, or (iv) when transmitted by facsimile to the facsimile number for each party set forth below, and a copy of such facsimile is sent out by one of the methods set forth in clauses (i) through (iii) above. No notice shall be deemed properly given unless sent by one of the methods set forth above and actually received or refused on a Business Day (as defined herein).

AS TO BUYER:

Michael Russo

Fax No.

AS TO SELLER:

, MANAGER

I'On Club, LLC
159 Civitas Street
Mt. Pleasant, SC 29464
Fax: 843.971.4748

WITH A COPY TO:

Daniel Q. Orvin, Esq.
Buist Moore Smythe McGee P. A.
Post Office Box 999
Charleston, South Carolina 29402
Fax No. 843-723-7398

16. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreement between the parties. It is expressly agreed that there are no verbal understandings or agreements which in anyway change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

17. Severability. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect and the parties shall use their best efforts to substitute a like but enforceable and valid provision in lieu of the unenforceable or invalid provision.

18. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

19. Governing Law. This Agreement shall be governed by the law of the State of South Carolina.

20. Effective Date. The "Effective Date" of this Agreement for all purposes shall be the date when a fully-executed counterpart to this Agreement is delivered to the Buyer, signed and initialed by Buyer and Seller.

21. Business Days. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, occurs on a non-Business Day, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day. As used herein "Business Day" shall mean any day other than Saturday, Sunday and any other day that is a national holiday in the United States or a state

holiday in the State of South Carolina, or is a day on which banking institutions in either such nation or state are authorized or required by law or other governmental action to close.

22. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all copies shall constitute but one and the same Agreement, binding on all parties hereto, whether or not each counterpart is executed by all parties hereto, so long as each party hereto has executed one or more counterparts hereof.

23. Facsimile Signatures. The parties hereto acknowledge and agree that any party may execute and deliver facsimile copies of this Agreement and said facsimile copies will have the same binding effect as executed original counterparts.

24. Arbitration. Any claims or disputes arising out of or related to this Agreement are subject to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association, as amended and in effect at the time of such hearing. The arbitration shall take place in Charleston, South Carolina. Each party shall use all reasonable efforts to ensure that any arbitration proceeding is completed within sixty (60) days following notice of a request for arbitration hereunder. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable.

25. WAIVER OF JURY TRIAL. THE BUYER AND THE SELLER WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT.

26. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement to be executed as of the date and year first above written.

WITNESSES:

SELLER:

I'ON CLUB, LLC

~~By: The I'On Group, LLC~~
~~Its: Manager~~

By:

Its:

BUYER

Michael Russo

EXHIBIT A

Real Property Description

ALL that certain lot, piece or parcel of land and all improvements thereon located in I'On, situate, lying and being in the Town of Mt. Pleasant, Charleston County, South Carolina, shown and designated as CV-6 on a plat entitled, "FINAL PLAT OF PHASE 2, SUBPHASES B THROUGH F, I'ON, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, S.C." prepared by Thomas & Hutton Engineering Co., dated September 12, 2000, and recorded on January 30, 2001 in the RMC Office for Charleston County in Plat Book EE, at Page 573, said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS No.: 535-06-00-230 (Lot CV-6)

EXHIBIT B

(a) A reservation of non-exclusive easements along the boundary lines of the Property for the installation and maintenance of utilities contained in the Declaration;

(d) Easement to South Carolina Electric and Gas Company, recorded in Book X115 at page 28, RMC Office for Charleston County;

(e) Easements for access, utilities and drainage reserved in the deed from David N. Jordan, KREPS Investment Company, LLC, KAYJ Investment Company, LLC, L-J, Inc. and Barbara J. Alford, as Trustee of the Trust under the Will of Hampton S. Alford to the I'On Company, L.L.C. dated August 12, 1997 and recorded in the RMC Office for Charleston County in book J288 at page 190.

(f) Easement to BellSouth Telecommunications, Inc. dated November 6, 1997 and recorded November 7, 1997 in the RMC Office for Charleston County in Book U292 at page 209;

(g) The restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. Seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(h) Zoning or other restrictions of record as imposed by governmental authorities having jurisdiction over the use of the property.

(i) Any interest created by or limitations on use imposed by the Federal Coastal Zone Management Act or other Federal law or regulations or by South Carolina Code Section 48-39-10 through Section 48-39-220, as amended, or any regulations promulgated pursuant to said State or Federal Laws, inclusive of DHEC (formerly South Carolina Coastal Council) and U.S. Army Corps of Engineers.

(j) Ad valorem property taxes and governmental assessments not due prior to closing of this sale.

(k) All easements, conditions, restrictions and other matters contained in Declarations of Restrictive Covenants dated December 10, 1998 and recorded in the RMC Office for Charleston County in Book L313 at page 13 and as shown on the plat entitled "Plat of Wetlands and Buffers for I'On, Town of Mt. Pleasant, Charleston County, SC" dated June 9, 1998 by Thomas and Hutton Engineering Company and recorded in Plat Book EC at pages 899-903, aforesaid records.

(l) Easement to CPW in Book J316 at page 228 and O319 at page 482.

Expired Lot 275

FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT (the "Amendment") is entered into as of December 18, 2008, by and between The I'On Company, LLC, a South Carolina limited liability company ("Seller"), and Michael Russo and permitted assigns ("Buyer").

WITNESSETH:

WHEREAS, Seller and Buyer entered into that certain Purchase and Sale Agreement dated as of August 26, 2008 (the "Agreement"), for the purchase and sale of certain real property described therein ("Property"); and

WHEREAS, Buyer and Seller now desire to amend the Agreement in certain respects as set forth below.

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of all of which consideration is hereby mutually acknowledged, Seller and Buyer hereby agree as follows:

1. **Recitals/Definitions.** The foregoing recitals are incorporated by reference herein. All capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Agreement.

2. **Extension of Inspection Period.** Seller and Buyer hereby agree that the Inspection Period provided for in the Agreement shall be extended to 5:00 p.m., P.M.E.D.T. on June 1, 2009.

3. **Contingencies.** Notwithstanding anything contained in the Agreement to the contrary, Seller's obligation to close on the Property shall be contingent upon Buyer consummating the transactions described in the following purchase and sale agreements:

(i) Purchase and Sale Agreement dated August 26, 2008, by and between Buyer and I'On Club, LLC for the purchase and sale of certain real and personal property relating to the operation of the I'On Creek Club described therein, as amended and restated by the Amended and Restated Purchase and Sale Agreement of even date herewith ("Creek Club Agreement"); and

(ii) Purchase and Sale Agreement of even date herewith by and between Buyer and Thomas C. Graham, Vincent G. Graham and Geoffrey D. Graham (collectively, "Graham") for the purchase and sale of certain real property described therein (the "Graham Agreement");

4. **Reaffirmation; Counterparts.** Except as modified herein, Buyer and Seller hereby affirm all terms, conditions and provisions contained in the Agreement. This Amendment may be executed in separate counterparts as provided in the Agreement. A facsimile signature upon this Amendment shall be deemed as an original for the purposes of binding a signatory to this Amendment.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the day and year first above written.

WITNESSES:

CHAD D BESENFELDER

SELLER:

THE I'ON COMPANY, LLC

By: ~~The I'On Group, LLC~~
Its: ~~Manager~~ Member

By:

Its: Member

BUYER

Michael Russo

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, § 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 26 day of August, 2008, by and between The I'On Company, L.L.C., a South Carolina limited liability company ("Seller"), and Michael Russo and permitted assigns ("Buyer").

RECITALS

WHEREAS, Buyer and I'On Club, LLC have entered into a Purchase and Sale Agreement, of even date herewith, for the purchase and sale agreement of certain real and personal property relating to the operation of the I'On Creek Club as more fully described therein (the "Creek Club Agreement");

WHEREAS, the parties have agreed that Seller's obligation to sell the Property (as hereafter defined) to Buyer is contingent on Buyer consummating the transactions contemplated by the Creek Club Agreement;

WHEREAS, subject to the terms and conditions described herein, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property; now therefore:

For and in consideration of the sum of Ten and No/100ths Dollars ($10.00) paid by Buyer to Seller and subject to the mutual terms, covenants, conditions and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of Property. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the parcel of real property identified as Lot 275, 42 Saturday Road, situated in the Town of Mount Pleasant, County of Charleston, and State of South Carolina, which property is more particularly described in Exhibit A attached hereto, incorporated herein and made a part hereof (the "Property").

2. Purchase Price and Earnest Money Deposit. The consideration to be paid to the Seller for the Property at the Closing is Two Hundred Fifty Thousand and 00/100 Dollars ($250,000.00) for the Property ("Purchase Price"), payable as follows:

(a) On or before August 30, 2008, the Buyer shall deposit the sum of Five Thousand and 00/100 Dollars ($5,000.00) (the "Earnest Money Deposit") with I'On Realty Company, LLC, or its assigns ("Escrow Agent") to be deposited into a non-interest bearing escrow account.

(b) The balance of the Purchase Price, less credit for the Earnest Money Deposit and further subject to such other credits, prorations and adjustments as are provided herein, shall be paid at Closing by Buyer in immediately available funds.

3. Closing. The closing of the purchase and sale of the Property, herein called "Closing", shall be held thirty (30) days after the expiration of the Inspection Period, as hereinafter defined (the "Closing Date"), at 10:30 a.m. at the offices of Buyer's attorney or at such other place as shall be mutually agreeable to the parties hereto. Notwithstanding the foregoing, if the Closing Date is scheduled to occur, as determined above, before the consummation of the transactions contemplated by the Creek Club Agreement, the Closing Date shall be extended to the date that is thirty (30) days after the consummation of such transactions but in no event shall the Closing occur more than one hundred eighty (180) days after the signing of this Agreement. On the date of the Closing, the Seller shall execute, where necessary, and deliver to Buyer the following:

(a) A general warranty indenture deed in recordable form conveying the Property to Buyer in fee simple free and clear of all liens and encumbrances except for zoning and other applicable laws, and any other agreements, covenants, conditions, easements, and restrictions of record which may affect the Property including but not limited to the following (collectively, the "Permitted Exceptions"):

(i) all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth on the Plat and in the "Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Declaration"), and all related documents referenced therein, and those set forth in the I'On Code;

(ii) a reservation of non-exclusive easements for the installation and maintenance of all utilities (i) adjacent to, parallel with and within 3 feet of the two side boundary lines of the Property, and (ii) within applicable setbacks for the front and rear boundary lines;

(iii) the restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(iv) ad valorem property taxes and governmental assessments not due and payable prior to Closing; and

(v) other matters approved or waived by Buyer as provided for in this Agreement.



(b) A FIRPTA Certificate and Seller's tax identification number or Social Security Number.

(c) an officer's affidavit of Seller certifying as to the validity and accuracy of the attached certificates of existence and good standing, certified copies of articles of organization or incorporation, operating agreement or bylaws, authorizing resolutions, and incumbency of the persons executing the transaction documents.

(d) Seller's affidavits and state tax withholding affidavits.

(e) A Certificate of Tax Compliance from the S.C. Department of Revenue.

(f) Such other documents as may reasonably be requested by Buyer to effectuate the transactions contemplated hereunder.

The sale described herein shall be closed pending recording of all recordable documents. Each party shall at any time and from time to time after the Closing execute, acknowledge where required, and deliver such further instruments and documents, and take such other action as may be reasonably requested by the other party in order to carry out the purposes of this Agreement.

4. Inspection Period.

(a) Buyer acknowledges that Buyer has made a personal, on the lot inspection of the Property prior to signing this Agreement. The parties further acknowledge that Buyer intends to rezone the Property for use as a bed and breakfast and Seller agrees to reasonably cooperate with Buyer in Buyer's application to rezone the Property for such use. For the period commencing on the Effective Date and expiring on the earlier of (i) one hundred fifty (150) days after the Effective Date, or (ii) the date the Property is rezoned for use as a bed and breakfast (the "Inspection Period"), Buyer and its agents shall have the right to make an inspection of the Property, including title matters, soil, engineering, planning, environmental, permitting, zoning or other studies and investigations as Buyer shall deem appropriate. Buyer shall have the right to physically inspect the Property during the Inspection Period and determine whether the Property is satisfactory for Buyer's contemplated use thereof. Buyer or Buyer's authorized representatives shall have the right from and after the Effective Date to enter upon and make tests on the Property, including, but not limited to, tests to determine the presence of any hazardous materials. Buyer shall pay all costs incurred by Buyer in making any such inspections and investigations and shall indemnify, defend and hold the Seller harmless from any liens, claims, losses and liabilities arising out of the Buyer's exercise of such right and privilege to go upon the Property. If the Property is disturbed in any manner by Buyer or its agents or representatives in accomplishing such inspections, tests or investigation, Buyer shall restore the Property to its prior existing condition or a condition as close thereto as commercially reasonable.

Buyer acknowledges that this Agreement is entered into by Buyer without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Property, the zoning or use of the Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Property, or other matters, except as set forth in this Agreement between Seller and Buyer. Buyer warrants and represents to Seller that if such matters are of concern to him, Buyer has sought and obtained independent advice relative thereto.

(b) In the event Buyer, in Buyer's sole judgment and discretion, concludes that said inspections, reviews, studies and/or investigations are not satisfactory, for any or no specific reason, then Buyer may terminate this Agreement by delivering written notice of such determination to Seller on or before the expiration of the Inspection Period. If Buyer fails to timely give such notice of termination to Seller, this paragraph shall be of no further force and effect, and Buyer shall have no further right to terminate this Agreement pursuant to this paragraph. If Buyer does give notice of termination to Seller on or before the expiration of the Inspection Period, then the Earnest Money Deposit shall be refunded to Buyer, less the sum of One Hundred and 00/100 Dollars ($100.00) as consideration for Buyer's inspection rights as set forth herein, and the parties hereto shall have no further rights, duties or obligations under this Agreement.

5. Conditions to Closing. Seller's obligation to close shall be contingent upon Buyer consummating the transactions contemplated by the Creek Club Agreement as described therein.

6. Seller's Representations and Warranties. Seller represents and warrants as of the date hereof (or as of the date of delivery of the relevant schedules, as applicable) and as of the Closing Date as follows:

(a) Seller is duly organized and in good standing under the laws of the state of South Carolina and is duly qualified to transact business in South Carolina and has all requisite powers to enter into this Contract and to perform Seller's obligations hereunder and under any document required to be executed or delivered on behalf of Seller hereunder.

(b) This Agreement has been duly authorized by all necessary action on the part of the Seller, has been duly executed and delivered on behalf of the Seller, constitutes the valid and binding agreement of the Seller, and is enforceable in accordance with its terms. Seller is not now bankrupt or insolvent, nor will it be made insolvent as a result of this transaction, and Seller does not expect to file for bankruptcy or other protection or relief from creditors.

7. Disclosures.

(a) Stormwater Management. Buyer acknowledges and agrees that the Property is also subject to federal and state stormwater management laws and regulations

currently administered by the Office of Ocean and Coastal Resource Management ("OCRM") of the South Carolina Department of Health and Environmental Control ("DHEC") and agrees for himself, his assigns and his successors in title to abide by them

(b) Governing Documents: By initialing this section, Buyer acknowledges the receipt of copies of the following documents prior to entering into this Agreement: (a) the Declaration, (b) the By-Laws of I'On Assembly, Inc. ("By-Laws"), and (c) The I'On Code, (collectively, the "Governing Documents") and agrees to comply with and be bound by them.

Buyer's Initials M.M.S Date 8-26-08, 2008

(c) Membership in Assembly: Upon conveyance of title to the Buyer, Buyer shall automatically become a member of the Assembly and shall remain a member so long as Buyer holds title to the Property. Buyer acknowledges that the Assembly is authorized to levy annual assessments against the Property for Buyer's pro rata share of the common expenses of the Assembly as more fully set forth in the Declaration, and that such assessments against the Property is the personal obligation of the Buyer in the same manner as they are the personal responsibility of all members owning property in I'On.

(d) Neighborhood Improvements: Buyer acknowledges that inasmuch as Buyer may be purchasing the Property prior to the completion of construction on other lots and streets in the Neighborhood, there may be certain inconveniences until all such construction is completed, and Buyer waives all claims with respect thereto. Buyer agrees that if Buyer, his family, guests, employees, agents or invitees enter onto any area of construction, they do so at their own risk, and neither The I'On Company, LLC, Buyer's Builder, or their respective contractors, agents, or employees, shall be liable for any damage, loss or injury to such person.

(e) Use and Development Restrictions: Buyer acknowledges that the Property is subject to various restrictions on use and development including those as set forth in the Governing Documents listed in Paragraph 7 (b) above.

(f) Plan Approval Pursuant to Declaration: Buyer acknowledges that all construction and landscaping on the Property and any modifications thereof affecting the exterior appearance of the Property are subject to prior approval in accordance with the Governing Documents. Buyer further acknowledges that *TIME IS OF THE ESSENCE* in reference to the following required submittal dates for The I'On Design Committee:

(i) Buyer shall have an orientation meeting with the Neighborhood Design Coordinator (NDC) at which time the Buyer shall submit to the NDC for its review and consideration conceptual drawings, renderings, or photographs illustrating the architectural concept which Buyer proposes for the improvements to be constructed on the Property.

(ii) Buyer shall submit preliminary design documents to the I'On Design Committee (IDC) for its review and consideration. Design fees may apply.

(iii) In the event that the IDC disapproves Buyer's conceptual plan or preliminary design documents, Buyer shall work diligently and in good faith to revise and resubmit them as necessary until approval is granted.

(iv) Buyer acknowledges that Buyer must receive final approval of plans from IDC prior to commencing construction on the Property.

(v) Failure to comply with the requirements of the Declaration and the I'On Code relating to approval of plans, shall constitute a default by Buyer, entitling Seller to the remedies set forth in Paragraph 15 of this Agreement. Buyer acknowledges receipt of a copy of the Design Review Procedures for I'On by initialing directly below:

Buyer's Initials MMS Date 8-26, 2008

8. House & Landscaping Completion Deposit. Buyer acknowledges that at the time of the Buyer's Preliminary Design Submittal, the Buyer shall also be required to pay a $4,000 House and Landscaping Completion Deposit to The I'On Company, LLC, or its assigns, which will be held and disbursed in accordance with the terms referenced in Paragraphs (i) and (ii) below.

(a) The $4,000 Completion Deposit will be refunded, without interest, upon issuance of a certificate of occupancy and the substantial completion of the house in accordance with the Final Design Plans approved by the I'On Design Committee (IDC) and approval of the completion of the landscaping for the house by the IDC. It is the Buyers responsibility to submit a Request for Final Inspection (Form F in the I'On Design Committee Procedures Manual) to IDC, and in turn IDC will do a final inspection of the property within 10 days of submittal. Within thirty (30) days from approval of the final inspection by IDC, the $4,000 Completion Deposit will be refunded to the Buyer.

(b) In addition to other remedies set forth herein, failure to complete the house in accordance with the terms of this Agreement and/or failure to obtain approval of the completed landscaping within 90 days after issuance of the certificate of occupancy shall result in forfeiture of the $4,000 Completion Deposit, and the same shall immediately become the sole property of The I'On Company, LLC, the parties hereby acknowledging and agreeing that such amount is reasonable and fair to reduce Seller's damages due to such default, and is not to be deemed a penalty.

The House and Landscaping Completion Deposit shall be deposited into an escrow account maintained by The I'On Company, L.L.C. or its assigns. By initialing below, Buyer acknowledges that such account need not be interest-bearing, but if interest-bearing, the Buyer relinquishes all rights of ownership of the accrued interest on said deposit and acknowledges that

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the Seller shall donate all interest earned on such account to East Cooper Cultural Trust, a nonprofit organization, or its assigns.

Buyer's Initials MMS Date 8-26, 2008

9. Exemption from Interstate Land Sales Full Disclosure Act, Title 15, U.S. Code, Section 1701, et seq. This transaction is exempt from the Interstate Land Sales Full Disclosure Act pursuant to Section 1702 of Title 15 of the United States Code. In that connection, Seller represents to Buyer that:

(a) The Property is located within the Town of Mt. Pleasant (the "Town") which specifies minimum standards for the development of subdivision lots taking place within its boundaries;

(b) The subdivision meets all local codes and standards, and each lot being offered for sale is subject to restrictive covenants that it be used for single family residences only;

(c) The Property is or will be located on a paved street which has been built to standards applicable to streets maintained by the Town and is acceptable to the Town, or where such street is not completed, a bond or other surety acceptable to the Town has been posted to assure completion to such standards, and further the Town has accepted or is obligated to accept the responsibility of maintaining such street;

(d) At the time of closing, potable water, sanitary sewage disposal, and electricity will have been extended to the Property;

(e) The Seller will deliver a general warranty indenture deed free of monetary liens to the Buyer at closing, and the closing will occur within 180 days after the signing of this Agreement.

(f) At the time of closing, Seller will provide to Buyer a title insurance binder or title opinion in favor of the Buyer reflecting the condition of title, and demonstrating that, subject only to such exceptions as are set forth herein which the Buyer (by the execution of this Agreement) specifically approves, marketable title to the Property is vested in the Seller; and

(g) There are no offers, by direct mail or telephone solicitation, of gifts, trips, dinners, or other such promotional techniques to induce prospective Buyers to visit the subdivision or to purchase a lot.

10. Subdivision Improvements and Amenities. Buyer and Seller agree that no representations regarding the provision or completion by the Seller of roads, sewer, gas, or electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Buyer, except as specifically set forth in this Agreement or any Addendums, exhibits or

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attachments. At or prior to Closing, Seller shall complete, or shall post a bond with the Town of Mount Pleasant, South Carolina or Charleston County, South Carolina, as appropriate, to provide financial assurances for completion of paved access from a public street or highway, central water and sewer service, and electricity to serve the Property.

11. Brokerage Commission. Buyer and Seller each represents to the other that they have not dealt with any real estate broker or agent to which a real estate commission is or shall become due in connection with this transaction. Buyer and Seller each hereby indemnifies the other against and agrees to hold the other harmless from any liability or claim for any real estate brokerage commission or similar fee or compensation arising out of or in any way connected with any claimed agency or cooperative relationship with the indemnitor and relating to this Agreement or the purchase and sale of the Property. The terms of this paragraph shall survive the rescission, cancellation, termination or consummation of this Agreement.

12. Closing Costs. The Seller shall be responsible for the fees and expenses of Seller's attorneys, deed preparation fees, the fees or taxes for documentary stamps or other transfer taxes, including all fees due pursuant to South Carolina Code Sections 12-24-10, et seq. with respect to the transfer of the Property to the Buyer, real estate or brokerage commissions to be paid by Seller pursuant to the terms hereof, and any other costs and expenses actually incurred by the Seller. The Buyer shall be responsible for the fees and expenses of Buyer's attorneys, real estate or brokerage commissions (if any) to be paid by Buyer pursuant to the terms hereof, and any other costs and expenses actually incurred by the Buyer. All other closing costs, if any, shall be allocated between Buyer and Seller as is customary in the applicable jurisdiction where the Property is located.

13. Possession. Buyer shall be entitled to possession of the Property upon Closing.

14. Default and Remedy.

(a) If Seller has performed its covenants and agreements hereunder but Buyer has breached its covenants and agreements hereunder and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, Seller shall be entitled to retain the Earnest Money Deposit paid by Buyer to Seller as and for Seller's liquidated damages and sole remedy for Buyer's default. If Seller has breached its covenants and agreements under this Agreement and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, then Buyer may (i) proceed against Seller to enforce its rights hereunder in an action for specific performance, or (ii) elect to terminate this Agreement, in which case Buyer shall be entitled to a full refund of the Earnest Money Deposit, plus any interest thereon.

(b) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the defaulting party shall reimburse the nondefaulting party for reasonable attorney's fees and expenses (including without limitation paralegal fees), including those incurred on appeal.

15. Assignment. This Agreement shall not be assigned by either party without the written consent of the other party, provided that Buyer may assign this Agreement without the consent of Seller to an entity that is at least 50% owned or controlled by Buyer.

16. Survival. Except as otherwise expressly set forth herein, all of the terms, conditions, covenants, representations, warranties and agreements of this Contract shall survive and continue in full force and effect and shall be enforceable after the Closing.

17. Notice. All notices shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) three (3) days after deposit in the United States Mail, with adequate postage, and sent by registered or certified mail with return receipt requested, to the appropriate party at the address set out below, (iii) one (1) Business Day after deposit with Federal Express, Express Mail or other overnight delivery service for next day delivery, addressed to the appropriate party at the address set out below, or (iv) when transmitted by facsimile to the facsimile number for each party set forth below, and a copy of such facsimile is sent out by one of the methods set forth in clauses (i) through (iii) above. No notice shall be deemed properly given unless sent by one of the methods set forth above and actually received or refused on a Business Day (as defined herein).

AS TO BUYER:

Michael Russo
123 Civitas St
Mt. Pleasant 29464
Fax No. _____

AS TO SELLER:

Tom Graham
The I'On Company, L.L.C.
252 Ponsbury Rd.
Mt. Pleasant, SC 29464
Fax: 843.971.4748

WITH A COPY TO:

Daniel Q. Orvin
Buist Moore Smythe McGee P. A.
Post Office Box 999
Charleston, South Carolina 29402
Fax No. 843-723-7398

146 Civitas 0736

18. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreement between the parties. It is expressly agreed that there are no verbal understandings or agreements which in anyway change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

19. Severability. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect and the parties shall use their best efforts to substitute a like but enforceable and valid provision in lieu of the unenforceable or invalid provision.

20. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

21. Governing Law. This Agreement shall be governed by the law of the State of South Carolina.

22. Effective Date. The "Effective Date" of this Agreement for all purposes shall be the date when a fully-executed counterpart to this Agreement is delivered to the Buyer, signed and initialed by Buyer and Seller.

23. Business Days. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, occurs on a non-Business Day, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day. As used herein "Business Day" shall mean any day other than Saturday, Sunday and any other day that is a national holiday in the United States or a state holiday in the State of South Carolina, or is a day on which banking institutions in either such nation or state are authorized or required by law or other governmental action to close.

24. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all copies shall constitute but one and the same Agreement, binding on all parties hereto, whether or not each counterpart is executed by all parties hereto, so long as each party hereto has executed one or more counterparts hereof.

25. Facsimile Signatures. The parties hereto acknowledge and agree that any party may execute and deliver facsimile copies of this Agreement and said facsimile copies will have the same binding effect as executed original counterparts.



26. Arbitration. Any claims or disputes arising out of or related to this Agreement are subject to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association, as amended and in effect at the time of such hearing. The arbitration shall take place in Charleston, South Carolina. Each party shall use all reasonable efforts to ensure that any arbitration proceeding is completed within sixty (60) days following notice of a request for arbitration hereunder. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable.

27. WAIVER OF JURY TRIAL. THE BUYER AND THE SELLER WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT.

28. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

[remainder of page left intentionally blank]



IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement to be executed as of the date and year first above written.

WITNESSES:

CHAD BESENFELDER

Allie Forster

SELLER:

THE I'ON COMPANY, L.L.C.

~~By: The I'On Group, LLC~~
~~Its: Manager~~

By: Thomas C. Graham

Its: Member

BUYER

Michael Russo

CHAD BESENFELDER

EXHIBIT A

Property Description

ALL that certain lot, piece or parcel of land and all improvements thereon located in I'On, situate, lying and being in the Town of Mt. Pleasant, Charleston County, South Carolina, shown and designated as Lot 275 on a plat entitled, "FINAL PLAT OF PHASE 2, SUBPHASES B THROUGH F, I'ON, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, S.C." prepared by Thomas & Hutton Engineering Co., dated September 12, 2000, and recorded on January 30, 2001 in the RMC Office for Charleston County in Plat Book EE, at Page 573, said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS Nos.: 535-06-00-231

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, § 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of this 10 day of JUNE, 2009, by and between Thomas C. Graham, Vincent G. Graham and Geoffrey D. Graham (collectively "Seller"), and Michael Russo and permitted assigns ("Buyer").

RECITALS

WHEREAS, Buyer and I'On Club, LLC have entered into a Purchase and Sale Agreement, of even date herewith, for the purchase and sale of certain real and personal property relating to the operation of the I'On Creek Club as more fully described therein (the "Creek Club Agreement");

WHERERAS, Buyer and The I'On Company, LLC ("TIC") entered into a Purchase and Sale Agreement of even date herewith, for the purchase and sale of certain real property described therein (the "TIC Agreement");

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property (as hereafter defined), on the terms set forth herein; and

WHEREAS, the parties have agreed that Seller's obligation to sell the Property (as hereafter defined) to Buyer is contingent on Buyer consummating the transactions described in the Creek Club Agreement and the TIC Agreement.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100ths Dollars ($10.00) paid by Buyer to Seller and subject to the mutual terms, covenants, conditions and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The above recitals are incorporated herein by reference.

2. Purchase and Sale of Property. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, a certain parcel of real property located in the Town of Mount Pleasant, County of Charleston, and State of South Carolina, which property is more particularly described in Exhibit A attached hereto, incorporated herein and made a part hereof (the "Property").

3. Purchase Price and Deposit. The consideration to be paid to the Seller for the Property at the Closing is Two Hundred and Twenty-Five Thousand and 00/100 Dollars ($225,000.00) ("Purchase Price"), payable as follows:

(a) On or before the Effective Date, the Buyer shall deposit the sum of Five Thousand and 00/100 Dollars ($5,000.00) (the "Earnest Money Deposit") with Buist Moore Smythe McGee PA, or its assigns ("Escrow Agent") to be deposited into a non-interest bearing escrow account. Unless this Agreement is sooner terminated as provided herein, the Earnest Money Deposit shall be applied to the Purchase Price at Closing (as hereinafter defined); and

(b) The balance of the Purchase Price, less credit for the Earnest Money Deposit and further subject to such other credits, prorations and adjustments as are provided herein, shall be paid at Closing by Buyer in immediately available funds.

4. Closing. The closing of the purchase and sale of the Property, herein called "Closing", shall be held thirty (30) days after the expiration of the Inspection Period, as hereinafter defined (the "Closing Date"), at the offices of Buyer's attorney or at such other place as shall be mutually agreeable to the parties hereto. Buyer acknowledges and agrees that the Closing shall be held simultaneously with the closing of the property described in the TIC Agreement and described in the Creek Club Agreement. On the date of the Closing, the Seller shall execute, where necessary, and deliver to Buyer the following:

(a) A general warranty indenture deed in recordable form conveying the Property to Buyer in fee simple free and clear of all liens and encumbrances except for: (i) zoning and other applicable laws; (ii) taxes or governmental assessments for the then current year which are not yet due and payable; (iii) all agreements, covenants, conditions, easements, and restrictions of record which may affect the Property; (iv) all facts which are shown on any existing survey or would be shown on a current survey of the Property; (v) a reservation of non-exclusive easements for the installation and maintenance of all utilities (A) adjacent to, parallel with and within 3 feet of the two side boundary lines of the Property, and (B) within applicable setbacks for the front and rear boundary lines; (vi) the restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et seq., S.C. Code (1976), as amended, without the express, written consent of Seller or TIC, its successors and assigns; and (vii) other matters approved or waived by Buyer as provided for in this Agreement (collectively, the "Permitted Exceptions").

(b) A FIRPTA Certificate and Seller's tax identification number or Social Security Number.

(c) an officer's affidavit of Seller certifying as to the validity and accuracy of the attached certificates of existence and good standing, certified copies of articles of organization or incorporation, operating agreement or bylaws, authorizing resolutions, and incumbency of the persons executing the transaction documents.

(d) Seller's affidavits and state tax withholding affidavits.

(e) A current tax compliance letter as to Seller from the South Carolina Department of Revenue or a current Transferor Affidavit executed by Seller stating that the conveyance of the Property is not part of a transfer of a majority of assets of the business of Seller, based on the fair market value of the real property transferred.

(f) Such other documents as may reasonably be requested by Buyer to effectuate the transactions contemplated hereunder.

The sale described herein shall be closed pending recording of all recordable documents. Each party shall at any time and from time to time after the Closing execute, acknowledge where required, and deliver such further instruments and documents, and take such other action as may be reasonably requested by the other party in order to carry out the purposes of this Agreement.

5. Inspection Period. Buyer acknowledges that Buyer has made a personal, on the lot inspection of the Property prior to signing this Agreement. For the period commencing on the Effective Date and expiring at 5:00 P.M.E.D.T. on the 30th day thereafter (the "Inspection Period"), Buyer and its agents shall have the right to make an inspection of the Property, including title matters, soil, engineering, planning, environmental, permitting, zoning or other studies and investigations as Buyer shall deem appropriate. Buyer shall have the right to physically inspect the Property during the Inspection Period and determine whether the Property is satisfactory for Buyer's contemplated use thereof. Buyer or Buyer's authorized representatives shall have the right from and after the Effective Date to enter upon and make tests on the Property, including, but not limited to, tests to determine the presence of any hazardous materials. Buyer shall pay all costs incurred by Buyer in making any such inspections and investigations and shall indemnify, defend and hold the Seller harmless from any liens, claims, losses and liabilities arising out of the Buyer's exercise of such right and privilege to go upon the Property. If the Property is disturbed in any manner by Buyer or its agents or representatives in accomplishing such inspections, tests or investigation, Buyer shall restore the Property to its prior existing condition or a condition as close thereto as commercially reasonable.

Buyer acknowledges that this Agreement is entered into by Buyer without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Property, the zoning or use of the Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Property, or other matters, except as set forth in this Agreement between Seller and Buyer. Buyer warrants and represents to Seller that if such matters are of concern to him, Buyer has sought and obtained independent advice relative thereto.

(a) In the event Buyer, in Buyer's sole judgment and discretion, concludes that said inspections, reviews, studies and/or investigations are not satisfactory, for any or no specific

reason, then Buyer may terminate this Agreement by delivering written notice of such determination to Seller on or before the expiration of the Inspection Period. If Buyer fails to timely give such notice of termination to Seller, this Paragraph shall be of no further force and effect, and Buyer shall have no further right to terminate this Agreement pursuant to this Paragraph. If Buyer does give notice of termination to Seller on or before the expiration of the Inspection Period, then the Earnest Money Deposit shall be refunded to Buyer, less the sum of One Hundred and 00/100 Dollars ($100.00) as consideration for Buyer's inspection rights as set forth herein, and the parties hereto shall have no further rights, duties or obligations under this Agreement.

6. Use of Property. Notwithstanding anything contained herein to the contrary, if the Property is ever:

(a) used or developed for residential purposes or rezoned for residential use, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Residential Declaration"), and all related documents referenced therein, and those set forth in the I'On Code. Buyer acknowledges and agrees that if the Property is ever used or developed for residential purposes or rezoned for residential use, Buyer and any successor in title shall automatically become a member of the I'On Assembly, Inc., and remain a member so long as Buyer and any successor in title hold title to the Property. Buyer acknowledges that only builders approved by TIC, the developer of I'On, may construct homes or improvements or complete renovations on homes in I'On. Such approval requirement is for the protection of TIC, only and shall not be construed to create any duty or liability to Buyer on the part of TIC. Buyer agrees that Buyer shall not permit any person other than a builder approved by TIC to construct a home on the Property while title is vested in Buyer. Buyer also acknowledges that builders in the I'On Guild who construct homes or provide construction services in I'On have agreed to pay the William Means Real Estate, LLC and/or the listing agent a commission of six percent (6%) of the Gross Sales Price of the improvements to be constructed by such builder on lots in I'On owned by third party buyers, such as Buyer. This Commission is to be calculated as follows: Commission = .06 x Gross Sales Price. The Gross Sales Price includes the Commission and can be calculated as follows: Gross Sales Price = The total of cost of improvements and overhead and profit divided by 0.94. Such commission shall be paid upon closing of the construction loan or commencement of construction, whichever next occurs after the builder enters into the contract for construction of a home for which a commission is payable. As set forth above, no commission to cooperating brokers will be paid by TIC or Seller on the cost of improvements; or,

(b) used or developed for commercial purposes or rezoned for commercial use, it shall automatically become subject to all covenants, restrictions, conditions, easements,

rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Conditions, and Restrictions for I'On Square dated August 23, 2000, and recorded September 8, 2000, in Book R354, Page 129 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Commercial Declaration"), and all related documents referenced therein. Buyer acknowledges and agrees that if the Property is ever used or developed for commercial purposes or rezoned for commercial use, Buyer and any successor in title shall automatically become a member of the I'On Square Association, Inc., and remain a member so long as Buyer and any successor in title hold title to the Property.

The covenants and limitations contained in this Paragraph 6, among others set forth herein, are covenants that run with the land and are thus applicable and binding upon all successors in title to the Property. Such covenants and limitations shall be included in the Deed. Buyer agrees to execute such other documents (recordable or otherwise) necessary to effect the intent of this Paragraph 6.

7. Design Review and Approval. No structure or exterior items shall be placed, erected, or installed upon the Property, and no improvements or site work, exterior alterations of existing improvements, or planting or removal of landscaping, shall take place on any portion of the Property unless the design and plans for such is reviewed and approved in writing by Seller, its successors and assigns; provided however, that if the Property is used or developed for residential or commercial purposes or rezoned for residential or commercial uses, which results in the Property becoming subject to the Residential Declaration or the Commercial Declaration as provided in Paragraph 6 above, such review and approval shall be made in accordance with the applicable declaration. The covenants and limitations contained in this Paragraph 7, among others set forth herein, are covenants that run with the land and are thus applicable and binding upon all successors in title to the Property. Such covenants and limitations shall be included in the Deed. Buyer agrees to execute such other documents (recordable or otherwise) necessary to effect the intent of this Paragraph 7.

8. Conditions to Closing. Seller's obligation to close shall be contingent upon Buyer consummating the transactions described in the Creek Club Agreement and the TIC Agreement.

9. Seller's Representations and Warranties. Seller represents and warrants as of the date hereof (or as of the date of delivery of the relevant schedules, as applicable) and as of the Closing Date as follows:

(a) Seller is duly organized and in good standing under the laws of the state of South Carolina and is duly qualified to transact business in South Carolina and has all requisite powers to enter into this Contract and to perform Seller's obligations hereunder and under any document required to be executed or delivered on behalf of Seller hereunder.

(b) This Agreement has been duly authorized by all necessary action on the part of the Seller, has been duly executed and delivered on behalf of the Seller, constitutes the

valid and binding agreement of the Seller, and is enforceable in accordance with its terms. Seller is not now bankrupt or insolvent, nor will it be made insolvent as a result of this transaction, and Seller does not expect to file for bankruptcy or other protection or relief from creditors.

10. Stormwater Management. Buyer acknowledges and agrees that the Property is also subject to federal and state stormwater management laws and regulations currently administered by the Office of Ocean and Coastal Resource Management ("OCRM") of the South Carolina Department of Health and Environmental Control ("DHEC") and agrees for and agrees for himself, his assigns and his successors in title to abide by them.

11. Subdivision Improvements and Amenities. Buyer and Seller agree that no representations regarding the provision or completion by the Seller of roads, sewer, gas, or electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Buyer, except as specifically set forth in this Agreement or any Addendums, exhibits or attachments. At or prior to Closing, Seller shall complete, or shall post a bond with the Town of Mount Pleasant, South Carolina or Charleston County, South Carolina, as appropriate, to provide financial assurances for completion of paved access from a public street or highway, central water and sewer service, and electricity to serve the Property.

12. Closing Costs. The Seller shall be responsible for the fees and expenses of Seller's attorneys, deed preparation fees, the fees or taxes for documentary stamps or other transfer taxes, including all fees due pursuant to South Carolina Code Sections 12-24-10, et seq. with respect to the transfer of the Property to the Buyer, any real estate or brokerage commissions to be paid by Seller, and any other costs and expenses actually incurred by the Seller. The Buyer shall be responsible for the fees and expenses of Buyer's attorneys, any real estate or brokerage commissions to be paid by Buyer, and any other costs and expenses actually incurred by the Buyer. All other closing costs, if any, shall be allocated between Buyer and Seller as is customary in the applicable jurisdiction where the Property is located.

13. Possession. Buyer shall be entitled to possession of the Property upon Closing.

14. Default and Remedy.

(a) If Seller has performed its covenants and agreements hereunder but Buyer has breached its covenants and agreements hereunder and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, Seller shall be entitled to retain the Earnest Money Deposit paid by Buyer to Seller as and for Seller's liquidated damages and sole remedy for Buyer's default. If Seller has breached its covenants and agreements under this Agreement and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, then Buyer may (i) proceed against Seller to enforce its rights hereunder in an action for specific performance, or (ii) elect to terminate this Agreement, in which case Buyer shall be entitled to a full refund of the Earnest Money Deposit, plus any interest thereon.

(b) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the defaulting party shall reimburse the non-defaulting party for reasonable attorney's fees and expenses (including without limitation paralegal fees), including those incurred on appeal.

15. Assignment. This Agreement shall not be assigned by either party without the written consent of the other party, provided that Buyer may assign this Agreement without the consent of Seller to an entity that is at least 50% owned or controlled by Buyer.

16. Survival. Except as otherwise expressly set forth herein, all of the terms, conditions, covenants, representations, warranties and agreements of this Contract shall survive and continue in full force and effect and shall be enforceable after the Closing.

17. Notice. All notices shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) three (3) days after deposit in the United States Mail, with adequate postage, and sent by registered or certified mail with return receipt requested, to the appropriate party at the address set out below, (iii) one (1) Business Day after deposit with Federal Express, Express Mail or other overnight delivery service for next day delivery, addressed to the appropriate party at the address set out below, or (iv) when transmitted by facsimile to the facsimile number for each party set forth below, and a copy of such facsimile is sent out by one of the methods set forth in clauses (i) through (iii) above. No notice shall be deemed properly given unless sent by one of the methods set forth above and actually received or refused on a Business Day (as defined herein).

AS TO BUYER:

Michael Russo

_____

_____

Fax No. _____

AS TO SELLER:

Thomas C. Graham
Vincent G. Graham
Geoffrey D. Graham
252 Ponsbury Rd.
Mt. Pleasant, SC 29464
Fax: 843.971.4748

WITH A COPY TO:

Daniel Q. Orvin
Buist Moore Smythe McGee P. A.
Post Office Box 999
Charleston, South Carolina 29402
Fax No. 843-723-7398

18. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreement between the parties. It is expressly agreed that there are no verbal understandings or agreements which in anyway change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

19. Severability. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect and the parties shall use their best efforts to substitute a like but enforceable and valid provision in lieu of the unenforceable or invalid provision.

20. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

21. Governing Law. This Agreement shall be governed by the laws of the State of South Carolina.

22. Effective Date. The "Effective Date" of this Agreement for all purposes shall be the date when a fully-executed counterpart to this Agreement is delivered to the Buyer, signed and initialed by Buyer and Seller.

23. Escrow Agent. The Escrow Agent shall have no duties except as stated herein. The parties agree that it shall not constitute a conflict of interest for the Escrow Agent to represent one of the parties in connection with this Agreement. If the Escrow Agent is in doubt as to its duties or liabilities under this Agreement, for any reason, it may, in its sole discretion, continue to hold the said Earnest Money Deposit, or so much thereof as it deems appropriate until: (a) Seller and Buyer mutually agree to disbursement thereof, (b) an order or judgment of a court of competent jurisdiction determines the rights of the parties hereto, or (c), as an alternative, the Escrow Agent shall have the right to interplead such Earnest Money Deposit with the Clerk of the Court of Common Pleas for the County in which the Property is located, and upon notifying both the Buyer and Seller of such action, all duties of the Escrow Agent under the terms of the Agreement shall terminate, except to the extent of accounting for such escrow funds. The Escrow Agent shall not be liable for anything it may do or refrain from doing in connection herewith provided that it acts in good faith and without gross negligence or intentional breach of

this Agreement. Unless a dispute shall arise relating to the Escrow Agent's duties, Buyer shall be responsible for the Escrow Agent's fees. In the event that the Escrow Agent becomes involved in litigation relating to the Escrow, the non-prevailing party shall be responsible for the payment of the Escrow Agent's reasonable fees and expenses and for the reasonable attorney fees and costs of the prevailing party.

24. Business Days. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, occurs on a non-Business Day, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day. As used herein "Business Day" shall mean any day other than Saturday, Sunday and any other day that is a national holiday in the United States or a state holiday in the State of South Carolina, or is a day on which banking institutions in either such nation or state are authorized or required by law or other governmental action to close.

25. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all copies shall constitute but one and the same Agreement, binding on all parties hereto, whether or not each counterpart is executed by all parties hereto, so long as each party hereto has executed one or more counterparts hereof.

26. Facsimile Signatures. The parties hereto acknowledge and agree that any party may execute and deliver facsimile copies of this Agreement and said facsimile copies will have the same binding effect as executed original counterparts.

27. Arbitration. Any claims or disputes arising out of or related to this Agreement are subject to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association, as amended and in effect at the time of such hearing. The arbitration shall take place in Charleston, South Carolina. Each party shall use all reasonable efforts to ensure that any arbitration proceeding is completed within sixty (60) days following notice of a request for arbitration hereunder. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable.

28. WAIVER OF JURY TRIAL. THE BUYER AND THE SELLER WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT.

29. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

[*remainder of page left intentionally blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement to be executed as of the date and year first above written.

WITNESSES:

SELLER:

Thomas C. Graham

Vincent G. Graham

Geoffrey D. Graham

BUYER

Michael Russo

EXHIBIT A

Real Property Description

ALL that certain lot, piece or parcel of land and all improvements thereon located in I'On, situate, lying and being in the Town of Mt. Pleasant, Charleston County, South Carolina, shown and designated as CV-5 on a plat entitled, "FINAL PLAT OF PHASE 2, SUBPHASES B THROUGH F, I'ON, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, S.C." prepared by Thomas & Hutton Engineering Co., dated September 12, 2000, and recorded on January 30, 2001 in the RMC Office for Charleston County in Plat Book EE, at Page 573, said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS No.: 535-06-00-219 (Lot CV-5)

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, § 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of this 18 day of JUNE, 2009, by and between I'On Club, LLC, a South Carolina limited liability company ("Seller"), and Michael Russo and his permitted assigns ("Buyer").

RECITALS

WHEREAS, Seller is the owner of certain Real Property and Personal Property (each as defined herein), and Seller rents the building and associated facilities located on such Real Property, together with the Personal Property for various events under the trade name Creek Club at I'On (the "Creek Club");

WHEREAS, Buyer and Thomas C. Graham, Vincent G. Graham and Geoffrey D. Graham (collectively, "Graham") have entered into a Purchase and Sale Agreement of even date herewith, for the purchase and sale of certain real property described therein (the "Graham Agreement");

WHERERAS, Buyer and The I'On Company, LLC ("TIC") entered into a Purchase and Sale Agreement of even date herewith, for the purchase and sale of certain real property described therein (the "TIC Agreement");

WHEREAS, Seller has agreed to sell to Buyer certain assets owned by Seller and used in connection with its operation of the Creek Club, all in accordance with the terms and conditions hereinafter set forth; and

WHEREAS, the parties have agreed that Seller's obligation to consummate the transactions described in this Agreement (including, without limitation, the sale of certain assets of the I'On Club and I'On Creek Club described herein to Buyer) is contingent on Buyer simultaneously consummating the transactions described in the Graham Agreement and the TIC Agreement.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100ths Dollars ($10.00) paid by Buyer to Seller and subject to the mutual terms, covenants, conditions and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The above recitals are incorporated herein by reference.

2. Purchase and Sale of Assets. Seller agrees to sell and Buyer agrees to purchase the following assets of Seller (the "Assets"):

(a) the property more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with all buildings, structures and improvements thereon, fixtures and equipment, including any light fixtures, and also together with all and singular the tenements, hereditaments, rights, easements and appurtenances now or hereafter belonging thereto (collectively, the "Real Property");

(b) Certain fixtures, appliances, tables, chairs, and exterior furniture owned by Seller and used or held for use in connection with the business or operation of the Creek Club, set forth on Schedule 1 attached hereto and incorporated herein by reference (collectively, the "Personal Property");

(c) Seller's interest in the leases, subleases, and rental agreements that grant a possessory interest in and to any space situated on the Real Property or that otherwise grant rights with regard to use of all or any portion of the Real Property, and all prepaid rentals (to the extent applicable to a period beyond the Closing Date and security deposits thereunder, set forth on Schedule 2 attached hereto and incorporated herein by reference (collectively, the "Assumed Leases"); and

(d) Seller's interest in the contracts, options, purchase orders, commitments or other agreements relating to the Assets or the operation of the Creek Club, set forth on Schedule 3 attached hereto and incorporated herein by reference (collectively, the "Assumed Agreements", together with the Assumed Leases, the "Assumed Contracts"); and

(e) All goodwill associated with the Creek Club.

Buyer shall not assume, in connection with the transactions contemplated hereby, any liability or obligation of the Seller whatsoever, and the Seller shall retain responsibility for all liabilities and obligations accrued or incurred prior to Closing and all liabilities and obligations arising from the Seller's operations prior to Closing, whether or not accrued and whether or not disclosed. As the sole exception to the previous sentence, effective as of the time of Closing, the Buyer shall assume the obligations of the Seller under each Assumed Contract that is expressly assumed by Buyer in accordance with the terms hereof to the extent such obligations are not required to be performed prior to Closing, and accrue and relate to the operation of the Creek Club subsequent to the Closing.

3. Assets Excluded from Sale. Seller does not intend to sell to Buyer, and Buyer will not acquire under the terms hereof, any of the following assets of the Seller:

(a) Any cash on hand (or cash equivalents), securities, demand, savings, or other deposits in any bank or savings and loan institution or other financial institution, any negotiable or non-negotiable instruments, or any other investments (except as otherwise provided herein);

(b) Any accounts receivable of the Seller for rentals on or before the date of Closing;

(c) all refunds related to the Creek Club accruing on or before the date of closing.

(d) Any personal effects of Seller specifically described on the attached Schedule 4.

4. Purchase Price and Deposit. The consideration to be paid to the Seller for the Assets at the Closing is One Million Four Hundred Thousand and 00/100 Dollars ($1,400,000.00) ("Purchase Price"), payable as follows:

(a) On or before the Effective Date, Buyer shall deposit an earnest money deposit in the sum of Twenty Thousand and 00/100 ($20,000.00) Dollars (the "Deposit") with Buist Moore Smythe McGee PA, ("Escrow Agent") to be held in escrow in a non-interest bearing account by Escrow Agent as provided herein. Unless this Agreement is sooner terminated as provided herein, the Deposit shall be applied to the Purchase Price at Closing (as hereinafter defined); and

(b) The balance of the Purchase Price, less credit for the Deposit and further subject to such other credits, prorations and adjustments as are provided herein, shall be paid at Closing by Buyer in immediately available funds.

5. Allocation of Purchase Price. The Purchase Price for the Assets shall be allocated as shown on Schedule 5. Buyer and Seller agrees to comply with IRC §1060 if necessary and shall report the transactions for all tax purposes in a manner consistent with such allocation.

6. Closing. The closing of the purchase and sale of the Assets, herein called "Closing", shall be held thirty (30) days after the expiration of the Inspection Period, as hereinafter defined (the "Closing Date"), at the offices of Buyer's attorney or at such other place as shall be mutually agreeable to the parties hereto. Buyer acknowledges and agrees that the Closing shall be held simultaneously with the closing of the property described in the Graham Agreement and the property described in the TIC Agreement.

(a) On the date of the Closing, the Seller shall execute, where necessary, and deliver to Buyer the following:

(i) A general warranty indenture deed in recordable form conveying the Property to Buyer in fee simple free and clear of all liens and encumbrances except for: (i) zoning and other applicable laws; (ii) taxes or governmental assessments for the then current year which are not yet due and payable; (iii) all agreements, covenants, conditions, easements, and restrictions of record which may affect the Property; (iv) all facts which are shown on any existing survey or would be shown on a current survey of the Property; (v) a reservation of non-exclusive easements for the installation and maintenance of all utilities (A) adjacent to, parallel with and within 3 feet of the two side boundary lines of the Property, and (B) within applicable setbacks for the front and rear boundary lines; (vi) the restriction that the Property shall not be

used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et seq., S.C. Code (1976), as amended, without the express, written consent of Seller or TIC, its successors and assigns; and (vii) other matters approved or waived by Buyer as provided for in this Agreement (collectively, the "Permitted Exceptions").

(ii) A FIRPTA Certificate and Seller's tax identification number or Social Security Number.

(iii) an officer's affidavit of Seller certifying as to the validity and accuracy of the attached certificates of existence and good standing, certified copies of articles of organization or incorporation, operating agreement or bylaws, authorizing resolutions, and incumbency of the persons executing the transaction documents.

(iv) Seller's affidavits and state tax withholding affidavits.

(v) One or more bills of sale and assignments, executed by Seller in form and substance reasonably satisfactory to Buyer, conveying the Assets (other than the Real Property) to Buyer free and clear of all encumbrances.

(vi) A current tax compliance letter as to Seller from the South Carolina Department of Revenue or a current Transferor Affidavit executed by Seller stating that the conveyance of the Property is not part of a transfer of a majority of assets of the business of Seller, based on the fair market value of the real property transferred.

(vii) Such other documents as may reasonably be requested by Buyer or his counsel to effectuate the transactions contemplated hereunder.

(b) The On the date of the Closing, the Buyer shall execute, where necessary, and deliver to Seller the following:

(i) The Purchase Price payable in accordance with the terms of Paragraph 4 above.

(ii) Such assignment and assumption agreements as necessary to evidence the assumption of the Assumed Contracts by Buyer.

(iii) Such other documents as may reasonably be requested by Seller or its counsel to effectuate the transactions contemplated hereunder.

The sale described herein shall be closed in escrow pending recording of all recordable documents. Each party shall at any time and from time to time after the Closing execute, acknowledge where required, and deliver such further instruments and documents, and take such other action as may be reasonably requested by the other party in order to carry out the purposes of this Agreement.

7. Inspection Period. For the period commencing on the Effective Date and expiring at 5:00 P.M.E.D.T. on the 30th day thereafter (the "Inspection Period"), Buyer and its agents shall have the right to make an inspection of the Assets, including title matters, soil, engineering, planning, environmental, permitting, zoning or other studies and investigations as Buyer shall deem appropriate. Buyer shall have the right, during the Inspection Period, to examine and inspect the books and records relating to operations of the Creek Club and the Assets, which books and records shall be made available to Buyer at the Seller's office during normal business hours. Buyer shall have the right to physically inspect the Assets during the Inspection Period, conduct such studies and review such of the books and records relating to the operation of the Creek Club as Buyer may elect, and determine whether the Assets are satisfactory for Buyer's contemplated use thereof. Buyer or Buyer's authorized representatives shall have the right from and after the Effective Date to enter upon and make tests on the Real Property, including, but not limited to, tests to determine the presence of any hazardous materials. Such inspections are to be conducted in a manner as not to unreasonably interfere with the operation of the Creek Club by Seller. Buyer shall pay all costs incurred by Buyer in making any such inspections and investigations and shall indemnify, defend and hold the Seller harmless from any liens, claims, losses and liabilities arising out of the Buyer's exercise of such right and privilege to go upon the Real Property. If the Real Property is disturbed in any manner by Buyer or its agents or representatives in accomplishing such inspections, tests or investigation, Buyer shall restore the Real Property to its prior existing condition or a condition as close thereto as commercially reasonable. Buyer acknowledges that this Agreement is entered into by Buyer without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Assets, the zoning or use of the Real Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Assets, or other matters, except as set forth in this Agreement between Seller and Buyer. Buyer warrants and represents to Seller that if such matters are of concern to him, Buyer has sought and obtained independent advice relative thereto.

In the event Buyer, in Buyer's sole judgment and discretion, concludes that said inspections, reviews, studies and/or investigations are not satisfactory, for any or no specific reason, then Buyer may terminate this Agreement by delivering written notice of such determination to Seller on or before the expiration of the Inspection Period. If Buyer fails to timely give such notice of termination to Seller, this Paragraph shall be of no further force and effect, and Buyer shall have no further right to terminate this Agreement pursuant to this Paragraph. If Buyer does give notice of termination to Seller on or before the expiration of the Inspection Period, then the Deposit shall be refunded to Buyer, less the sum of One Hundred and 00/100 Dollars ($100.00) as consideration for Buyer's inspection rights as set forth herein, and the parties hereto shall have no further rights, duties or obligations under this Agreement.

8. Conditions to Closing. The following shall be conditions to the applicable parties' obligation to close the contemplated transaction:

(a) If Seller determines that the consummation of the transactions contemplated hereby violates any third party rights ("Third Party Violation"), Seller shall disclose such Third Party Violation to Buyer and either party may elect to terminate this agreement within fourteen (14) days from Buyer's receipt of written notice of the same.

(b) Seller's obligation to close shall be contingent upon Buyer consummating the transactions described in the Graham Agreement and the TIC Agreement simultaneously with the closing of the purchase and sale of the Assets.

Upon termination by either party in accordance with this Paragraph 8, the Deposit will be refunded to Buyer, and the parties hereto will have no further rights, duties or obligations under this Agreement.

9. Seller's Representations and Warranties. Seller represents and warrants as of the date hereof (or as of the date of delivery of the relevant schedules, as applicable) and as of the Closing Date as follows:

(a) Seller is duly organized and in good standing under the laws of the state of South Carolina and is duly qualified to transact business in South Carolina and has all requisite powers to enter into this Agreement and to perform Seller's obligations hereunder and under any document required to be executed or delivered on behalf of Seller hereunder.

(b) This Agreement has been duly authorized by all necessary action on the part of the Seller, has been duly executed and delivered on behalf of the Seller, constitutes the valid and binding agreement of the Seller, and is enforceable in accordance with its terms. Seller is not now bankrupt or insolvent, nor will it be made insolvent as a result of this transaction, and Seller does not expect to file for bankruptcy or other protection or relief from creditors.

10. Operation Prior to Closing. Between the date hereof and the Closing Date, Seller will conduct the operation of the Creek Club in the ordinary course in accordance with its past practices (except where such conduct would conflict with the obligations of Seller under this Agreement).

11. Use and Development of Real Property; Rezoning. Notwithstanding anything contained herein to the contrary, if the Real Property is ever:

(a) used or developed for residential purposes or rezoned for residential use, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Residential Declaration"), and all related documents referenced therein, and those set forth in the I'On Code. Buyer acknowledges and agrees that if

the Real Property is ever used or developed for residential purposes or rezoned for residential use, Buyer and any successor in title shall automatically become a member of the I'On Assembly, Inc., and remain a member so long as Buyer and any successor in title hold title to the Real Property. Buyer acknowledges that only builders approved by TIC, the developer of I'On, may construct homes or improvements or complete renovations on homes in I'On. Such approval requirement is for the protection of TIC, only and shall not be construed to create any duty or liability to Buyer on the part of TIC. Buyer agrees that Buyer shall not permit any person other than a builder approved by TIC to construct a home on the Real Property while title is vested in Buyer. Buyer also acknowledges that builders in the I'On Guild who construct homes or provide construction services in I'On have agreed to pay the William Means Real Estate, LLC and/or the listing agent a commission of six percent (6%) of the Gross Sales Price of the improvements to be constructed by such builder on lots in I'On owned by third party buyers, such as Buyer. This Commission is to be calculated as follows: Commission = .06 x Gross Sales Price. The Gross Sales Price includes the Commission and can be calculated as follows: Gross Sales Price = The total of cost of improvements and overhead and profit divided by 0.94. Such commission shall be paid upon closing of the construction loan or commencement of construction, whichever next occurs after the builder enters into the contract for construction of a home for which a commission is payable. As set forth above, no commission to cooperating brokers will be paid by TIC or the Seller on the cost of improvements; or,

(b) used or developed for commercial purposes or rezoned for commercial use, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Conditions, and Restrictions for I'On Square, dated August 23, 2000, and recorded September 8, 2000, in Book R354, Page 129 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Commercial Declaration"), and all related documents referenced therein. Buyer acknowledges and agrees that if the Real Property is ever used or developed for commercial purposes or rezoned for commercial use, Buyer and any successor in title shall automatically become a member of the I'On Square Association, Inc., and remain a member so long as Buyer and any successor in title hold title to the Real Property.

The covenants and limitations contained in this Paragraph 11, among others set forth herein, are covenants that run with the land and are thus applicable and binding upon all successors in title to the Real Property. Such covenants and limitations shall be included in the Deed. Buyer agrees to execute such other documents (recordable or otherwise) necessary to effect the intent of this Paragraph 11.

12. Design Review and Approval. No structure or exterior items shall be placed, erected, or installed upon the Real Property, and no improvements or site work, exterior alterations of existing improvements, or planting or removal of landscaping, shall take place on any portion of the Real Property unless the design and plans for such is reviewed and approved

in writing by Seller or TIC, their successors and assigns; provided however, that if the Real Property is used or developed for residential or commercial purposes or rezoned for residential or commercial uses, which results in the Real Property becoming subject to the Residential Declaration or the Commercial Declaration as provided in Paragraph 11 above, such review and approval shall be made in accordance with the applicable declaration. The covenants and limitations contained in this Paragraph 12, among others set forth herein, are covenants that run with the land and are thus applicable and binding upon all successors in title to the Real Property. Such covenants and limitations shall be included in the Deed. Buyer agrees to execute such other documents (recordable or otherwise) necessary to effect the intent of this Paragraph 12.

13. Closing Costs. The Seller shall be responsible for the fees and expenses of Seller's attorneys, deed preparation fees, the fees or taxes for documentary stamps or other transfer taxes, including all fees due pursuant to South Carolina Code Sections 12-24-10, et seq. with respect to the transfer of the Real Property to the Buyer, real estate or brokerage commissions to be paid by Seller, and any other costs and expenses actually incurred by the Seller. The Buyer shall be responsible for the fees and expenses of Buyer's attorneys, real estate or brokerage commissions to be paid by Buyer, and any other costs and expenses actually incurred by the Buyer. All other closing costs, if any, shall be allocated between Buyer and Seller as is customary in the applicable jurisdiction where the Real Property is located.

14. Adjustments and Prorations.

(a) Adjustments and Prorations. Except as otherwise provided herein, the following matters and items shall be apportioned on the Closing Date between the parties hereto or, where applicable, credited in total to a particular party:

(i) Taxes and Assessments. All ad valorem taxes, personal property taxes, water and sewer rents, rates and charges and vault charges and other municipal permit fees.

(ii) Utilities. Telephone and other communications, water, sewer, heat, steam, electric power, gas, lighting and any other utility service, with Seller receiving a credit for all deposits, if any, made by Seller as security under any such public service contracts if the same is transferable and provided such deposit remains on deposit for the benefit of Buyer.

(iii) Assumed Contracts. Seller shall deliver to Buyer the amount of all refundable security deposits and fees held by, or paid to, Seller under the Assumed Contracts or, alternatively, the Buyer, in Buyer's discretion, shall receive a cash credit for such amounts at Closing.

15. Estimates and Adjustments; Accounting. If the actual amount of any item is not known as of Closing, the proration will be based on the most current and accurate billing information available. If the actual amount of any such item, when later determined, and prorated for the applicable period, differs from the credit given therefor, the parties shall

promptly make the appropriate adjustment, and the party owing sums by reason of such adjustment shall promptly remit such sums to the other party.

16. Possession. Buyer shall be entitled to possession of the Assets upon Closing.

17. Reservation of Right. Seller shall reserve, for the benefit of Seller and TIC, their successors or assigns, a non-exclusive perpetual easement in the Deed conveying the Real Property to Buyer for the storage of four (4) kayaks under the porch of the building located on the Real Property or if unavailable, in such other comparable location on the Real Property as the Buyer may determine in his reasonable discretion.

18. Default and Remedy.

(a) If Seller has performed its covenants and agreements hereunder but Buyer has breached its covenants and agreements hereunder and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, Seller shall be entitled to retain the Deposit paid by Buyer to Seller as and for Seller's liquidated damages and sole remedy for Buyer's default. If Seller has breached its covenants and agreements under this Agreement and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, then Buyer may (i) proceed against Seller to enforce its rights hereunder in an action for specific performance, or (ii) elect to terminate this Agreement, in which case Buyer shall be entitled to a full refund of the Deposit.

(b) Seller agrees to indemnify, defend, and hold Buyer harmless from and against all demands, claims, actions, losses, damages, liabilities, costs, and expenses, including without limitation reasonable attorney's fees and expenses, asserted against or incurred by the Buyer resulting from or arising out of (i) a breach of any covenant, agreement, representation, or warranty of Seller contained in this Agreement, or (ii) operation of Creek Club and ownership of the Assets by Seller prior to the Closing. Buyer agrees to indemnify, defend, and hold Seller, its affiliates, and each of their officers, managers, directors, members, shareholders, employees, and agents (collectively, the "Seller's Indemnitees") harmless from and against all demands, claims, actions, losses, damages, liabilities, costs, and expenses, including without limitation reasonable attorney's fees and expenses, asserted against or incurred by the Seller's Indemnitees resulting from or arising out of (i) a breach of any covenant, agreement, representation, or warranty of Buyer contained in this Agreement or (ii) the operation of the Creek Club and ownership of the Assets by Buyer following the Closing.

(c) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the defaulting party shall reimburse the non-defaulting party for reasonable attorney's fees and expenses (including without limitation paralegal fees), including those incurred on appeal.

19. Survival. If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and

remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

20. Assignment. This Agreement shall not be assigned by either party without the written consent of the other party, provided that Buyer may assign this Agreement without the consent of Seller to an entity that is at least 50% owned or controlled by Buyer.

21. Notice. All notices shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) three (3) days after deposit in the United States Mail, with adequate postage, and sent by registered or certified mail with return receipt requested, to the appropriate party at the address set out below, (iii) one (1) Business Day after deposit with Federal Express, Express Mail or other overnight delivery service for next day delivery, addressed to the appropriate party at the address set out below, or (iv) when transmitted by facsimile to the facsimile number for each party set forth below, and a copy of such facsimile is sent out by one of the methods set forth in clauses (i) through (iii) above. No notice shall be deemed properly given unless sent by one of the methods set forth above and actually received or refused on a Business Day (as defined herein).

AS TO BUYER:

Michael Russo

_____

_____

Fax No. _____

AS TO SELLER:

_____

I'On Club, LLC
159 Civitas Street
Mt. Pleasant, SC 29464
Fax: 843.971.4748

WITH A COPY TO:

Daniel Q. Orvin, Esq.
Buist Moore Smythe McGee P. A.
Post Office Box 999
Charleston, South Carolina 29402
Fax No. 843-723-7398

22. Entire Agreement; Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written

agreement between the parties. It is expressly agreed that there are no verbal understandings or agreements which in anyway change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

23. Confidentiality. Without the prior written consent of the other party, neither the Seller nor the Buyer will disclose to any person or entity, other than its legal counsel, a proposed lender, necessary governmental authorities and/or other agents with a reasonable need to know such information, either the fact that this Agreement has been entered into or any of the terms, conditions or other facts with respect thereto, including the status thereof. Seller will not disclose to any person or entity, other than its legal counsel, any personal or financial information provided to Seller by Buyer in connection with the transaction contemplated by this Agreement.

24. Assets "As Is". Buyer acknowledges and agrees that, prior to purchasing the Assets, Buyer will have inspected the physical condition of the Assets and upon the Closing shall conclusively be deemed to have been satisfied with the results of the physical inspection. Buyer further acknowledges and agrees that, except as otherwise set forth herein, it is purchasing the Assets on an "AS IS" basis and "WITH ALL FAULTS" condition WITH NO WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

25. Severability. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect and the parties shall use their best efforts to substitute a like but enforceable and valid provision in lieu of the unenforceable or invalid provision.

26. Disclosures. Buyer acknowledges that certain parties have the right to use the dock and boat ramp facilities that are part of the Real Property pursuant to a "Recreational Easement and Agreement to Share Costs" dated _____ recorded on _____ in Book _____, Page ____ the RMC Office for Charleston County, South Carolina. Buyer also acknowledges that Seller has disclosed to Buyer that certain owners in the I'On neighborhood have alleged certain rights and interests in the Real Property and dock facilities located thereon in connection with a HUD Property Report prepared and issued by TIC as the developer of the I'On neighborhood.

27. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

28. Survival. The provisions of this Agreement and any Exhibits or Schedules attached hereto which contemplate performance after Closing shall survive the Closing and shall not be merged into or with the Deed.

29. Escrow Agent. The Escrow Agent shall have no duties except as stated herein. The parties agree that it shall not constitute a conflict of interest for the Escrow Agent to represent one of the parties in connection with this Agreement. If the Escrow Agent is in doubt as to its duties or liabilities under this Agreement, for any reason, it may, in its sole discretion, continue to hold the said Deposit, or so much thereof as it deems appropriate until: (a) Seller and Buyer mutually agree to disbursement thereof, (b) an order or judgment of a court of competent jurisdiction determines the rights of the parties hereto, or (c), as an alternative, the Escrow Agent shall have the right to interplead such Deposit with the Clerk of the Court of Common Pleas for the County in which the Property is located, and upon notifying both the Buyer and Seller of such action, all duties of the Escrow Agent under the terms of the Agreement shall terminate, except to the extent of accounting for such escrow funds. The Escrow Agent shall not be liable for anything it may do or refrain from doing in connection herewith provided that it acts in good faith and without gross negligence or intentional breach of this Agreement. Unless a dispute shall arise relating to the Escrow Agent's duties, Buyer shall be responsible for the Escrow Agent's fees. In the event that the Escrow Agent becomes involved in litigation relating to the Escrow, the non-prevailing party shall be responsible for the payment of the Escrow Agent's reasonable fees and expenses and for the reasonable attorney fees and costs of the prevailing party.

30. Governing Law. This Agreement shall be governed by the laws of the State of South Carolina.

31. Effective Date. The "Effective Date" of this Agreement for all purposes shall be the date when a fully-executed counterpart to this Agreement is delivered to the Buyer, signed and initialed by Buyer and Seller.

32. Business Days. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, occurs on a non-Business Day, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day. As used herein "Business Day" shall mean any day other than Saturday, Sunday and any other day that is a national holiday in the United States or a state holiday in the State of South Carolina, or is a day on which banking institutions in either such nation or state are authorized or required by law or other governmental action to close.

33. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all copies shall constitute but one and the same Agreement, binding on all parties hereto, whether or not each counterpart is executed by all parties hereto, so long as each party hereto has executed one or more counterparts hereof.

34. Facsimile Signatures. The parties hereto acknowledge and agree that any party may execute and deliver facsimile copies of this Agreement and said facsimile copies will have the same binding effect as executed original counterparts.

35. Arbitration. Any claims or disputes arising out of or related to this Agreement are subject to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association, as amended and in effect at the time of such hearing. The arbitration shall take place in Charleston, South Carolina. Each party shall use all reasonable efforts to ensure that any arbitration proceeding is completed within sixty (60) days following notice of a request for arbitration hereunder. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable.

36. WAIVER OF JURY TRIAL. THE BUYER AND THE SELLER WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT.

37. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement to be executed as of the date and year first above written.

WITNESSES:

Chad Besenfelder

Pam Martin

SELLER:

I'ON CLUB, LLC

By: The I'On Group, LLC
Its: Manager

By: _____
VINCENT GRAHAM
Its: MANAGER

Chad Besenfelder

BUYER

_____
Michael Russo

_____

EXHIBIT A

Real Property

ALL that certain lot, piece or parcel of land and all improvements thereon located in I'On, situate, lying and being in the Town of Mt. Pleasant, Charleston County, South Carolina, shown and designated as CV-6 on a plat entitled, "FINAL PLAT OF PHASE 2, SUBPHASES B THROUGH F, I'ON, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, S.C." prepared by Thomas & Hutton Engineering Co., dated September 12, 2000, and recorded on January 30, 2001 in the RMC Office for Charleston County in Plat Book EE, at Page 573, said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS No.: 535-06-00-230 (Lot CV-6)

Schedule 1

"Personal Property"

1. On-site furniture including leather chair, podium, 125 folding chairs, 15 round tables, 6 rectangle tables, storage racks, 6 rocking chairs, and 2 picnic tables
2. Kitchen appliances including stove and refrigerator.
3. Computer and video surveillance system
4. Large screen TV

Schedule 2

"Assumed Leases"

1. See attached rental Logmaster and deposits
2. Kayak storage space rentals

Schedule 3

"Assumed Agreements"

1. BuzzOff insect services
2. Landscape service (monthly agreement)
3. Ice machine lease

Schedule 4

"Personal Effects of Seller"

1. Construction equipment stored onsite including streetlights, construction equipment and gate.
2. Realty signage and post diggers
3. Kayaks
4. Charleston waterways framed artwork

Schedule 5

"Allocation of Price"

1. Land, Building and Fixed Assets $1,070,000
2. Docks $330,000

Schedule 6

(a) A reservation of non-exclusive easements along the boundary lines of the Property for the installation and maintenance of utilities contained in the Declaration;

(d) Easement to South Carolina Electric and Gas Company, recorded in Book X115 at page 28, RMC Office for Charleston County;

(e) Easements for access, utilities and drainage reserved in the deed from David N. Jordan, KREPS Investment Company, LLC, KAYJ Investment Company, LLC, L-J, Inc. and Barbara J. Alford, as Trustee of the Trust under the Will of Hampton S. Alford to the I'On Company, L.L.C. dated August 12, 1997 and recorded in the RMC Office for Charleston County in book J288 at page 190.

(f) Easement to BellSouth Telecommunications, Inc. dated November 6, 1997 and recorded November 7, 1997 in the RMC Office for Charleston County in Book U292 at page 209;

(g) The restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. Seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(h) Zoning or other restrictions of record as imposed by governmental authorities having jurisdiction over the use of the property.

(i) Any interest created by or limitations on use imposed by the Federal Coastal Zone Management Act or other Federal law or regulations or by South Carolina Code Section 48-39-10 through Section 48-39-220, as amended, or any regulations promulgated pursuant to said State or Federal Laws, inclusive of DHEC (formerly South Carolina Coastal Council) and U.S. Army Corps of Engineers.

(j) Ad valorem property taxes and governmental assessments not due prior to closing of this sale.

(k) All easements, conditions, restrictions and other matters contained in Declarations of Restrictive Covenants dated December 10, 1998 and recorded in the RMC Office for Charleston County in Book L313 at page 13 and as shown on the plat entitled "Plat of Wetlands and Buffers for I'On, Town of Mt. Pleasant, Charleston County, SC" dated June 9, 1998 by Thomas and Hutton Engineering Company and recorded in Plat Book EC at pages 899-903, aforesaid records.

(l) Easement to CPW recorded in the RMC Office for Charleston County in Book J316 at page 228 and O319 at page 482.

(m) Recreational Easement and Agreement to Share Costs dated _____ recorded on _____ in Book _____, Page _____ the RMC Office for Charleston County, South Carolina.

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, § 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into this 18 day of June, 2009, by and between The I'On Company, L.L.C., a South Carolina limited liability company ("Seller"), and Michael Russo and permitted assigns ("Buyer").

RECITALS

WHEREAS, Buyer and I'On Club, LLC have entered into a Purchase and Sale Agreement, of even date herewith, for the purchase and sale of certain real and personal property relating to the operation of the I'On Creek Club as more fully described therein (the "Creek Club Agreement");

WHEREAS, Buyer and Thomas C. Graham, Vincent G. Graham and Geoffrey D. Graham (collectively, "Graham") have entered into a Purchase and Sale Agreement of even date herewith, for the purchase and sale of certain real property described therein (the "Graham Agreement");

WHEREAS, Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, the Property (as hereafter defined), on the terms set forth herein; and

WHEREAS, the parties have agreed that Seller's obligation to sell the Property to Buyer is contingent on Buyer consummating the transactions described in the Creek Club Agreement and the Graham Agreement.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100ths Dollars ($10.00) paid by Buyer to Seller and subject to the mutual terms, covenants, conditions and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The above recitals are incorporated herein by reference.

2. Purchase and Sale of Property. Seller agrees to sell and convey to Buyer, and Buyer agrees to purchase from Seller, the parcel of real property identified as Lot 275, 42 Saturday Road, situated in the Town of Mount Pleasant, County of Charleston, and State of South Carolina, which property is more particularly described in Exhibit A attached hereto, incorporated herein and made a part hereof (the "Property").

3. Purchase Price and Earnest Money Deposit. The consideration to be paid to the Seller for the Property at the Closing is One Hundred Twenty-Five Thousand and 00/100 Dollars ($125,000.00) ("Purchase Price"), payable as follows:

(a) On or before the Effective Date, the Buyer shall deposit the sum of Five Thousand and 00/100 Dollars ($5,000.00) (the "Earnest Money Deposit") with Buist Moore Smythe McGee PA, or its assigns ("Escrow Agent") to be deposited into a non-interest bearing escrow account. Unless this Agreement is sooner terminated as provided herein, the Earnest Money Deposit shall be applied to the Purchase Price at Closing (as hereinafter defined); and

(b) The balance of the Purchase Price, less credit for the Earnest Money Deposit and further subject to such other credits, prorations and adjustments as are provided herein, shall be paid at Closing by Buyer in immediately available funds.

4. Closing. The closing of the purchase and sale of the Property, herein called "Closing", shall be held thirty (30) days after the expiration of the Inspection Period, as hereinafter defined (the "Closing Date"), at the offices of Buyer's attorney or at such other place as shall be mutually agreeable to the parties hereto. Buyer acknowledges and agrees that the Closing shall be held simultaneously with the closing of the property described in the Graham Agreement and described in the Creek Club Agreement. On the date of the Closing, the Seller shall execute, where necessary, and deliver to Buyer the following:

(a) A general warranty indenture deed in recordable form conveying the Property to Buyer in fee simple free and clear of all liens and encumbrances except for: (i) zoning and other applicable laws; (ii) taxes or governmental assessments for the then current year which are not yet due and payable; (iii) all agreements, covenants, conditions, easements, and restrictions of record which may affect the Property; (iv) all facts which are shown on any existing survey or would be shown on a current survey of the Property; (v) a reservation of non-exclusive easements for the installation and maintenance of all utilities (A) adjacent to, parallel with and within 3 feet of the two side boundary lines of the Property, and (B) within applicable setbacks for the front and rear boundary lines; (vi) the restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns; and (vii) other matters approved or waived by Buyer as provided for in this Agreement (collectively, the "Permitted Exceptions").

(b) A FIRPTA Certificate and Seller's tax identification number or Social Security Number.

(c) an officer's affidavit of Seller certifying as to the validity and accuracy of the attached certificates of existence and good standing, certified copies of articles of organization or incorporation, operating agreement or bylaws, authorizing resolutions, and incumbency of the persons executing the transaction documents.

(d) Seller's affidavits and state tax withholding affidavits.

(e) A current tax compliance letter as to Seller from the South Carolina Department of Revenue or a current Transferor Affidavit executed by Seller stating that the

conveyance of the Property is not part of a transfer of a majority of assets of the business of Seller, based on the fair market value of the real property transferred.

(f) Such other documents as may reasonably be requested by Buyer to effectuate the transactions contemplated hereunder.

The sale described herein shall be closed pending recording of all recordable documents. Each party shall at any time and from time to time after the Closing execute, acknowledge where required, and deliver such further instruments and documents, and take such other action as may be reasonably requested by the other party in order to carry out the purposes of this Agreement.

5. Inspection Period. Buyer acknowledges that Buyer has made a personal, on the lot inspection of the Property prior to signing this Agreement. For the period commencing on the Effective Date and expiring at 5:00 P.M.E.D.T. on the 30th day thereafter (the "Inspection Period"), Buyer and its agents shall have the right to make an inspection of the Property, including title matters, soil, engineering, planning, environmental, permitting, zoning or other studies and investigations as Buyer shall deem appropriate. Buyer shall have the right to physically inspect the Property during the Inspection Period and determine whether the Property is satisfactory for Buyer's contemplated use thereof. Buyer or Buyer's authorized representatives shall have the right from and after the Effective Date to enter upon and make tests on the Property, including, but not limited to, tests to determine the presence of any hazardous materials. Buyer shall pay all costs incurred by Buyer in making any such inspections and investigations and shall indemnify, defend and hold the Seller harmless from any liens, claims, losses and liabilities arising out of the Buyer's exercise of such right and privilege to go upon the Property. If the Property is disturbed in any manner by Buyer or its agents or representatives in accomplishing such inspections, tests or investigation, Buyer shall restore the Property to its prior existing condition or a condition as close thereto as commercially reasonable.

Buyer acknowledges that this Agreement is entered into by Buyer without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Property, the zoning or use of the Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Property, or other matters, except as set forth in this Agreement between Seller and Buyer. Buyer warrants and represents to Seller that if such matters are of concern to him, Buyer has sought and obtained independent advice relative thereto.

(a) In the event Buyer, in Buyer's sole judgment and discretion, concludes that said inspections, reviews, studies and/or investigations are not satisfactory, for any or no specific reason, then Buyer may terminate this Agreement by delivering written notice of such determination to Seller on or before the expiration of the Inspection Period. If Buyer fails to timely give such notice of termination to Seller, this Paragraph shall be of no further force and

effect, and Buyer shall have no further right to terminate this Agreement pursuant to this Paragraph. If Buyer does give notice of termination to Seller on or before the expiration of the Inspection Period, then the Earnest Money Deposit shall be refunded to Buyer, less the sum of One Hundred and 00/100 Dollars ($100.00) as consideration for Buyer's inspection rights as set forth herein, and the parties hereto shall have no further rights, duties or obligations under this Agreement.

6. Use of Property. Notwithstanding anything contained herein to the contrary, if the Property is ever:

(a) used or developed for residential purposes, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Residential Declaration"), and all related documents referenced therein, and those set forth in the I'On Code. Buyer acknowledges and agrees that if the Property is ever used or developed for residential purposes, Buyer and any successor in title shall automatically become a member of the I'On Assembly, Inc., and remain a member so long as Buyer and any successor in title hold title to the Property. Buyer acknowledges that only builders approved by Seller, the developer of I'On, may construct homes or improvements or complete renovations on homes in I'On. Such approval requirement is for the protection of Seller, only and shall not be construed to create any duty or liability to Buyer on the part of Seller. Buyer agrees that Buyer shall not permit any person other than a builder approved by Seller to construct a home on the Property while title is vested in Buyer. Buyer also acknowledges that builders in the I'On Guild who construct homes or provide construction services in I'On have agreed to pay the William Means Real Estate, LLC and/or the listing agreement a commission of six percent (6%) of the Gross Sales Price of the improvements to be constructed by such builder on lots in I'On owned by third party buyers, such as Buyer. This Commission is to be calculated as follows: Commission = .06 x Gross Sales Price. The Gross Sales Price includes the Commission and can be calculated as follows: Gross Sales Price = The total of cost of improvements and overhead and profit divided by 0.94. Such commission shall be paid upon closing of the construction loan or commencement of construction, whichever next occurs after the builder enters into the contract for construction of a home for which a commission is payable. As set forth above, no commission to cooperating brokers will be paid by the Seller on the cost of improvements; or,

(b) used or developed for commercial purposes or rezoned for commercial use, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Conditions, and Restrictions for I'On Square dated August 23, 2000, and recorded September 8, 2000, in Book R354, Page 129 in the RMC Office for Charleston County, South Carolina, along with all

recorded supplements and amendments thereto (collectively the "Commercial Declaration"), and all related documents referenced therein. Buyer acknowledges and agrees that if the Property is ever used or developed for commercial purposes or rezoned for commercial use, Buyer and any successor in title shall automatically become a member of the I'On Square Association, Inc., and remain a member so long as Buyer and any successor in title hold title to the Property.

The covenants and limitations contained in this Paragraph 6, among others set forth herein, are covenants that run with the land and are thus applicable and binding upon all successors in title to the Property. Such covenants and limitations shall be included in the Deed. Buyer agrees to execute such other documents (recordable or otherwise) necessary to effect the intent of this Paragraph 6.

7. Design Review and Approval. No structure or exterior items shall be placed, erected, or installed upon the Property, and no improvements or site work, exterior alterations of existing improvements, or planting or removal of landscaping, shall take place on any portion of the Property unless the design and plans for such is reviewed and approved in writing by Seller, its successors and assigns; provided however, that if the Property is used or developed for residential or commercial purposes or rezoned for commercial use, which results in the Property becoming subject to the Residential Declaration or the Commercial Declaration as provided in Paragraph 6 above, such review and approval shall be made in accordance with the applicable declaration. The covenants and limitations contained in this Paragraph 7, among others set forth herein, are covenants that run with the land and are thus applicable and binding upon all successors in title to the Property. Such covenants and limitations shall be included in the Deed. Buyer agrees to execute such other documents (recordable or otherwise) necessary to effect the intent of this Paragraph 7.

8. Conditions to Closing. Seller's obligation to close shall be contingent upon Buyer consummating the transactions described in the Creek Club Agreement and the Graham Agreement.

9. Seller's Representations and Warranties. Seller represents and warrants as of the date hereof (or as of the date of delivery of the relevant schedules, as applicable) and as of the Closing Date as follows:

(a) Seller is duly organized and in good standing under the laws of the state of South Carolina and is duly qualified to transact business in South Carolina and has all requisite powers to enter into this Contract and to perform Seller's obligations hereunder and under any document required to be executed or delivered on behalf of Seller hereunder.

(b) This Agreement has been duly authorized by all necessary action on the part of the Seller, has been duly executed and delivered on behalf of the Seller, constitutes the valid and binding agreement of the Seller, and is enforceable in accordance with its terms. Seller is not now bankrupt or insolvent, nor will it be made insolvent as a result of this transaction, and Seller does not expect to file for bankruptcy or other protection or relief from creditors.

10. Stormwater Management. Buyer acknowledges and agrees that the Property is also subject to federal and state stormwater management laws and regulations currently administered by the Office of Ocean and Coastal Resource Management ("OCRM") of the South Carolina Department of Health and Environmental Control ("DHEC") and agrees for and agrees for himself, his assigns and his successors in title to abide by them.

11. Exemption from Interstate Land Sales Full Disclosure Act, Title 15, U.S. Code, Section 1701, et seq. This transaction is exempt from the Interstate Land Sales Full Disclosure Act pursuant to Section 1702 of Title 15 of the United States Code. In that connection, Seller represents to Buyer that:

(a) The Property is located within the Town of Mt. Pleasant (the "Town") which specifies minimum standards for the development of subdivision lots taking place within its boundaries;

(b) The subdivision meets all local codes and standards, and the Property is zoned by the Town for a single family residence only;

(c) The Property is or will be located on a paved street which has been built to standards applicable to streets maintained by the Town and is acceptable to the Town, or where such street is not completed, a bond or other surety acceptable to the Town has been posted to assure completion to such standards, and further the Town has accepted or is obligated to accept the responsibility of maintaining such street;

(d) At the time of closing, potable water, sanitary sewage disposal, and electricity will have been extended to the Property;

(e) The Seller will deliver a general warranty indenture deed free of monetary liens to the Buyer at closing, and the closing will occur less than 180 days after the signing of this Agreement, in accordance with Paragraph 4 above;

(f) At the time of closing, Seller will provide to Buyer a title insurance binder or title opinion in favor of the Buyer reflecting the condition of title, and demonstrating that, subject only to such exceptions as are set forth herein which the Buyer (by the execution of this Agreement) specifically approves, marketable title to the Property is vested in the Seller; and

(g) There are no offers, by direct mail or telephone solicitation, of gifts, trips, dinners, or other such promotional techniques to induce prospective Buyers to visit the subdivision or to purchase a lot.

12. Subdivision Improvements and Amenities. Buyer and Seller agree that no representations regarding the provision or completion by the Seller of roads, sewer, gas, or electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Buyer, except as specifically set forth in this Agreement or any Addendums, exhibits or

attachments. At or prior to Closing, Seller shall complete, or shall post a bond with the Town of Mount Pleasant, South Carolina or Charleston County, South Carolina, as appropriate, to provide financial assurances for completion of paved access from a public street or highway, central water and sewer service, and electricity to serve the Property.

13. Closing Costs. The Seller shall be responsible for the fees and expenses of Seller's attorneys, deed preparation fees, the fees or taxes for documentary stamps or other transfer taxes, including all fees due pursuant to South Carolina Code Sections 12-24-10, et seq. with respect to the transfer of the Property to the Buyer, any real estate or brokerage commissions to be paid by Seller, and any other costs and expenses actually incurred by the Seller. The Buyer shall be responsible for the fees and expenses of Buyer's attorneys, any real estate or brokerage commissions to be paid by Buyer, and any other costs and expenses actually incurred by the Buyer. All other closing costs, if any, shall be allocated between Buyer and Seller as is customary in the applicable jurisdiction where the Property is located.

14. Possession. Buyer shall be entitled to possession of the Property upon Closing.

15. Default and Remedy.

(a) If Seller has performed its covenants and agreements hereunder but Buyer has breached its covenants and agreements hereunder and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, Seller shall be entitled to retain the Earnest Money Deposit paid by Buyer to Seller as and for Seller's liquidated damages and sole remedy for Buyer's default. If Seller has breached its covenants and agreements under this Agreement and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, then Buyer may (i) proceed against Seller to enforce its rights hereunder in an action for specific performance, or (ii) elect to terminate this Agreement, in which case Buyer shall be entitled to a full refund of the Earnest Money Deposit, plus any interest thereon.

(b) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the defaulting party shall reimburse the non-defaulting party for reasonable attorney's fees and expenses (including without limitation paralegal fees), including those incurred on appeal.

16. Assignment. This Agreement shall not be assigned by either party without the written consent of the other party, provided that Buyer may assign this Agreement without the consent of Seller to an entity that is at least 50% owned or controlled by Buyer.

17. Survival. Except as otherwise expressly set forth herein, all of the terms, conditions, covenants, representations, warranties and agreements of this Contract shall survive and continue in full force and effect and shall be enforceable after the Closing.

18. Notice. All notices shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) three (3) days after deposit in the United States Mail, with adequate postage, and sent by registered or certified mail with return receipt requested, to the appropriate party at the address set out below, (iii) one (1) Business Day after deposit with Federal Express, Express Mail or other overnight delivery service for next day delivery, addressed to the appropriate party at the address set out below, or (iv) when transmitted by facsimile to the facsimile number for each party set forth below, and a copy of such facsimile is sent out by one of the methods set forth in clauses (i) through (iii) above. No notice shall be deemed properly given unless sent by one of the methods set forth above and actually received or refused on a Business Day (as defined herein).

AS TO BUYER:

Michael Russo

_____

_____

Fax No. _____

AS TO SELLER:

_____

The I'On Company, L.L.C.
252 Ponsbury Rd.
Mt. Pleasant, SC 29464
Fax: 843.971.4748

WITH A COPY TO:

Daniel Q. Orvin
Buist Moore Smythe McGee P. A.
Post Office Box 999
Charleston, South Carolina 29402
Fax No. 843-723-7398

19. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreement between the parties. It is expressly agreed that there are no verbal understandings or agreements which in anyway change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

20. Severability. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect and the parties shall use their best efforts to substitute a like but enforceable and valid provision in lieu of the unenforceable or invalid provision.

21. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

22. Governing Law. This Agreement shall be governed by the laws of the State of South Carolina.

23. Effective Date. The "Effective Date" of this Agreement for all purposes shall be the date when a fully-executed counterpart to this Agreement is delivered to the Buyer, signed and initialed by Buyer and Seller.

24. Escrow Agent. The Escrow Agent shall have no duties except as stated herein. The parties agree that it shall not constitute a conflict of interest for the Escrow Agent to represent one of the parties in connection with this Agreement. If the Escrow Agent is in doubt as to its duties or liabilities under this Agreement, for any reason, it may, in its sole discretion, continue to hold the said Earnest Money Deposit, or so much thereof as it deems appropriate until: (a) Seller and Buyer mutually agree to disbursement thereof, (b) an order or judgment of a court of competent jurisdiction determines the rights of the parties hereto, or (c), as an alternative, the Escrow Agent shall have the right to interplead such Earnest Money Deposit with the Clerk of the Court of Common Pleas for the County in which the Property is located, and upon notifying both the Buyer and Seller of such action, all duties of the Escrow Agent under the terms of the Agreement shall terminate, except to the extent of accounting for such escrow funds. The Escrow Agent shall not be liable for anything it may do or refrain from doing in connection herewith provided that it acts in good faith and without gross negligence or intentional breach of this Agreement. Unless a dispute shall arise relating to the Escrow Agent's duties, Buyer shall be responsible for the Escrow Agent's fees. In the event that the Escrow Agent becomes involved in litigation relating to the Escrow, the non-prevailing party shall be responsible for the payment of the Escrow Agent's reasonable fees and expenses and for the reasonable attorney fees and costs of the prevailing party.

25. Business Days. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, occurs on a non-Business Day, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day. As used herein "Business Day" shall mean any day other than Saturday, Sunday and any other day that is a national holiday in the United States or a state

holiday in the State of South Carolina, or is a day on which banking institutions in either such nation or state are authorized or required by law or other governmental action to close.

26. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all copies shall constitute but one and the same Agreement, binding on all parties hereto, whether or not each counterpart is executed by all parties hereto, so long as each party hereto has executed one or more counterparts hereof.

27. Facsimile Signatures. The parties hereto acknowledge and agree that any party may execute and deliver facsimile copies of this Agreement and said facsimile copies will have the same binding effect as executed original counterparts.

28. Arbitration. Any claims or disputes arising out of or related to this Agreement are subject to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association, as amended and in effect at the time of such hearing. The arbitration shall take place in Charleston, South Carolina. Each party shall use all reasonable efforts to ensure that any arbitration proceeding is completed within sixty (60) days following notice of a request for arbitration hereunder. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable.

29. WAIVER OF JURY TRIAL. THE BUYER AND THE SELLER WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT.

30. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement to be executed as of the date and year first above written.

WITNESSES:

SELLER:

THE I'ON COMPANY, L.L.C.

By: The I'On Group, LLC
Its: Manager

By: VINCENT GRAHAM
Its: MANAGER

BUYER

Michael Russo

EXHIBIT A

Property Description

ALL that certain lot, piece or parcel of land and all improvements thereon located in I'On, situate, lying and being in the Town of Mt. Pleasant, Charleston County, South Carolina, shown and designated as Lot 275 on a plat entitled, "FINAL PLAT OF PHASE 2, SUBPHASES B THROUGH F, I'ON, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, S.C." prepared by Thomas & Hutton Engineering Co., dated September 12, 2000, and recorded on January 30, 2001 in the RMC Office for Charleston County in Plat Book EE, at Page 573, said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS Nos.: 535-06-00-231

tidelands bank

July 8, 2009

Speerex Limited Partnership
[redacted]
Mount Pleasant SC 29464

COMMITMENT LETTER

Dear Dr. Stephen W. Speer:

Tidelands Bank ("Bank") is pleased to offer you the following commitment (the "Commitment") for a loan (the "Loan"). The terms and conditions of this Commitment are as follows:

1. Borrower: Speerex Limited Partnership

2. Purpose: To purchase the Creek Club (1.4MM) in the I'ON subdivision which encompasses the Creek Club parcel, the adjacent marsh view lot (125M), and the parking lot (225M). Also, the Bank will finance the $100,000 up-fits on the Creek Club Kitchen (100M) for a total purchase price of $1,850,000.

3. Collateral: (1) Title insured FREM known as TMS# 535.06.00.230 which is the parcel that the Creek Club is physically on (parcel and improvements) purchase price is 1.4MM with improvements on kitchen. The physical address is 44 Saturday Road Mount Pleasant SC 29464. An "as complete appraisal" (with Kitchen enhancements will be performed by Michael Tawes of Atlantic Appraisals (will require plans on up-fits). (2) Title insured FREM on parcel (parking lot) known as TMS # 535.06.00.219 to be performed by Michael Tawes of Atlantic Appraisals. (3) Title insured FREM on TMS# 535.06.00.231 which is a marsh view lot adjacent to the Creek Club (abuts property) to be performed by Michael Tawes of Atlantic Appraisals.

4. Amount: $1,387,500 or 75% of the appraised value or cost whichever is lower (cash in of $462,500).

5. Indicative Interest Rate: 6.25% fixed for 4 years.

6. Repayment Terms: 48 months P & I on a 20 year amortization schedule.

7. Guarantors: Stephen Speer, William Speer, Therese Speer

8. Origination Fee: .50% of the loan amount.

9. Hazard & Flood Insurance: Required to reflect Tidelands Bank as loss payee; the latter if deemed to be in a flood zone

10. Title Insurance: Required.

11. Appraisal: Required at the borrower expense. The Bank will engage Michael Tawes of Atlantic Appraisals

This Commitment is open for your acceptance until the close of business on July, 12, 2009 (the "Expiration Date"), at which time this Commitment expires if not accepted and returned to the Bank. In addition, this Commitment shall expire and the Bank shall not be required to make the Loan if the Loan does not close by August 20th 2009. Acknowledge by signing and returning to the Bank.

Sincerely,

Kurt Seguer – Assistant Vice President & Commercial Banker 284-1181
X _____

The foregoing terms and conditions are hereby accepted and agreed to this 8th day of July 2009.

BORROWER(s):

X _____ Stephen W. Speer on behalf of Speerex Limited Partnership

Expired CV-b

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, § 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT

THIS AMENDED AND RESTATED PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of this 18 day of DECEMBER, 2008, by and between I'On Club, LLC, a South Carolina limited liability company ("Seller"), and Michael Russo and his permitted assigns ("Buyer").

RECITALS

WHEREAS, Seller is the owner of certain Real Property (as hereafter defined) and personal property, and Seller rents the building and associated facilities located on such Real Property, together with certain personal property for various events under the name I'On Creek Club (the "Creek Club"); and

WHEREAS, Seller and Buyer previously entered to a Purchase and Sale Agreement dated August 26, 2008 ("Original Agreement") wherein Buyer agreed to purchase certain assets of Seller related to the operation of the Creek Club, as more fully described herein;

WHEREAS, Buyer and Thomas C. Graham, Vincent G. Graham and Geoffrey D. Graham (collectively, "Graham") have entered into a Purchase and Sale Agreement of even date herewith, for the purchase and sale of certain real property described therein (the "Graham Agreement");

WHEREAS, the parties have agreed that Seller's obligation to sell the Property (as hereafter defined) to Buyer is contingent on Buyer consummating the transactions described in the Graham Agreement simultaneously with the closing of the Property;

WHEREAS, Buyer and Seller desire to amend and restate the Original Agreement as provided herein.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100ths Dollars ($10.00) paid by Buyer to Seller and subject to the mutual terms, covenants, conditions and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Purchase and Sale of Assets. Seller agrees to sell and Buyer agrees to purchase the following assets of Seller (the "Assets"):

(a) the property more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with all buildings, structures and improvements thereon, fixtures and equipment, including any light fixtures, and also together with all and

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singular the tenements, hereditaments, rights, easements and appurtenances now or hereafter belonging thereto, (collectively, the "Real Property");

(b) All fixtures, appliances, tables, chairs, and exterior furniture used or held for use in connection with the business or operation of the Creek Club (collectively, the "Personal Property");

(c) All of Seller's interest in leases, subleases, and rental agreements that grant a possessory interest in and to any space situated on the Real Property or that otherwise grant rights with regard to use of all or any portion of the Real Property, and all prepaid rentals (to the extent applicable to a period beyond the Closing Date and security deposits thereunder (collectively, the "Assumed Leases"); and

(d) All contracts, options, purchase orders, commitments or other agreements relating to the Assets or the operation of the Creek Club (collectively, the "Assumed Agreements", together with the Assumed Leases, the "Assumed Contracts"); and

Buyer shall not assume, in connection with the transactions contemplated hereby, any liability or obligation of the Seller whatsoever, and the Seller shall retain responsibility for all liabilities and obligations accrued or incurred prior to Closing and all liabilities and obligations arising from the Seller's operations prior to Closing, whether or not accrued and whether or not disclosed. As the sole exception to the previous sentence, effective as of the time of Closing, the Buyer shall assume the obligations of the Seller under each Assumed Contract that is expressly assumed by Buyer in accordance with the terms hereof to the extent such obligations are not required to be performed prior to Closing, and accrue and relate to the operation of the Creek Club subsequent to the Closing.

2. Purchase Price and Deposit. The consideration to be paid to the Seller for the Assets at the Closing is One Million Four Hundred Thousand and 00/100 Dollars ($1,400,000.00) for the Assets ("Purchase Price"), payable as follows:

(a) On or before the Effective Date, Buyer shall deposit an earnest money deposit in the sum of Twenty- Three Thousand and 00/100 ($23,000.00) Dollars (together with any Additional Deposits described below, the "Deposit") with I'On Realty Company, LLC, or its assigns ("Escrow Agent") to be held in escrow in a non-interest bearing account by Escrow Agent as provided herein. Unless this Agreement is sooner terminated as provided herein, the Deposit shall be applied to the Purchase Price at Closing (as hereinafter defined); and

(b) The balance of the Purchase Price, less credit for the Deposit and further subject to such other credits, prorations and adjustments as are provided herein, shall be paid at Closing by Buyer in immediately available funds.

3. Closing. The closing of the purchase and sale of the Assets, herein called "Closing", shall be held thirty (30) days after the expiration of the Inspection Period, as hereinafter defined (the "Closing Date"), at the offices of Buyer's attorney or at such other place

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as shall be mutually agreeable to the parties hereto. The Closing Date may be extended up to two times at Buyer's option, such extensions to be for thirty (30) days each. For each extension of the Closing Date, Buyer shall remit directly to Seller an additional earnest money deposit in the amount of Ten Thousand and 00/100 Dollars ($10,000.00) (each an "Additional Deposit" and collectively, the "Additional Deposits"), which Additional Deposits shall be non-refundable (except in the case of Seller's default hereunder) and shall apply to the Purchase Price at Closing. Buyer acknowledges and agrees that the Closing shall be held simultaneously with the closing of the property described in the Graham Agreement and that any 30 day extension of either this Agreement or the Graham Agreement shall automatically extend the other for the same period. Further, each 30 day extension shall require additional earnest money deposits in the amount of $20,000.00 ($10,000.00 under this Agreement and $10,000.00 under the Graham Agreement). On the date of the Closing, the Seller shall execute, where necessary, and deliver to Buyer the following:

A Limited Warranty Deed in recordable form conveying the Real Property to Buyer in fee simple free and clear of all liens and encumbrances other than (i) taxes for the then current year which are not yet due and payable, (ii) all agreements, covenants, conditions, easements, and restrictions of record which may affect the Real Property, (iii) the matters set forth in Exhibit B attached hereto and incorporated herein by reference, and (iv) all facts which are shown on any survey of the Property, and (v) other matters approved or waived by Buyer as provided for in this Agreement (collectively, the "Permitted Exceptions"). Notwithstanding anything contained herein to the contrary, if the Property is ever used for residential purposes, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Declaration"), and all related documents referenced therein, and those set forth in the I'On Code. Buyer acknowledges and agrees that if the Property is ever used for residential purposes, Buyer and any successor in title shall automatically become a member of the Assembly and remain a member so long as Buyer and any successor in title hold title to the Property.

(a) A FIRPTA Certificate and Seller's tax identification number or Social Security Number.

(b) an officer's affidavit of Seller certifying as to the validity and accuracy of the attached certificates of existence and good standing, certified copies of articles of organization or incorporation, operating agreement or bylaws, authorizing resolutions, and incumbency of the persons executing the transaction documents.

(c) Seller's affidavits and state tax withholding affidavits.

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(d) One or more bills of sale and assignments, executed by Seller in form and substance reasonably satisfactory to Buyer, conveying the Assets (other than the Real Property) to Buyer free and clear of all encumbrances.

(e) A Certificate of Tax Compliance from the S.C. Department of Revenue.

(f) Such other documents as may reasonably be requested by Buyer to effectuate the transactions contemplated hereunder.

The sale described herein shall be closed in escrow pending recording of all recordable documents. Each party shall at any time and from time to time after the Closing execute, acknowledge where required, and deliver such further instruments and documents, and take such other action as may be reasonably requested by the other party in order to carry out the purposes of this Agreement.

4. Inspection Period.

(a) Buyer shall have the right to review business records related to the operation of the Creek Club. Within ten (10) Business Days following the written request of Buyer identifying with specificity the documents sought for review, Seller shall make available to Buyer copies of such records. Within fourteen (14) Business Days following the Effective Date of this Agreement Seller shall provide to Buyer a schedule and copies of the Assumed Contracts and a schedule of all Personal Property.

(b) For the period commencing on the Effective Date and expiring on March 2, 2009 (the "Inspection Period"), Buyer and its agents shall have the right to make an inspection of the Assets, including title matters, soil, engineering, planning, environmental, permitting, zoning or other studies and investigations as Buyer shall deem appropriate. Buyer shall have the right to inspect each of the Required Information Materials during the Inspection Period. Buyer shall have the right, during the Inspection Period, to examine and inspect the books and records relating to operations of the Creek Club and the Assets, which books and records shall be made available to Buyer at the Seller's office during normal business hours. Buyer shall have the right to physically inspect the Assets during the Inspection Period, conduct such studies and review such of the books and records relating to the operation of the Creek Club as Buyer may elect, and determine whether the Assets are satisfactory for Buyer's contemplated use thereof. Buyer or Buyer's authorized representatives shall have the right from and after the Effective Date to enter upon and make tests on the Real Property, including, but not limited to, tests to determine the presence of any hazardous materials. Such inspections are to be conducted in a manner as not to unreasonably interfere with the operation of the Creek Club by Seller. Buyer shall pay all costs incurred by Buyer in making any such inspections and investigations and shall indemnify, defend and hold the Seller harmless from any liens, claims, losses and liabilities arising out of the Buyer's exercise of such right and privilege to go upon the Real Property. If the Real Property is disturbed in any manner by Buyer or its agents or representatives in accomplishing such inspections, tests or investigation, Buyer shall restore the Real Property to its prior existing condition or a condition as close thereto as commercially

reasonable. Buyer acknowledges that this Agreement is entered into by Buyer without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Assets, the zoning or use of the Real Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Assets, or other matters, except as set forth in this Agreement between Seller and Buyer. Buyer warrants and represents to Seller that if such matters are of concern to him, Buyer has sought and obtained independent advice relative thereto.

(c) In the event Buyer, in Buyer's sole judgment and discretion, concludes that said inspections, reviews, studies and/or investigations are not satisfactory, for any or no specific reason, then Buyer may terminate this Agreement by delivering written notice of such determination to Seller on or before the expiration of the Inspection Period. If Buyer fails to timely give such notice of termination to Seller, this paragraph shall be of no further force and effect, and Buyer shall have no further right to terminate this Agreement pursuant to this paragraph. If Buyer does give notice of termination to Seller on or before the expiration of the Inspection Period, then the Deposit shall be refunded to Buyer, less the sum of One Hundred and 00/100 Dollars ($100.00) as consideration for Buyer's inspection rights as set forth herein, and the parties hereto shall have no further rights, duties or obligations under this Agreement.

5. Conditions to Closing. The following shall be conditions to the applicable parties' obligation to close the contemplated transaction:

(a) If Seller determines that the consummation of the transactions contemplated hereby violates any third party rights ("Third Party Violation"), Seller shall disclose such Third Party Violation to Buyer and either party may elect to terminate this agreement within fourteen (14) days from Buyer's receipt of written notice of the same.

(b) Seller's obligation to close shall be contingent upon Buyer consummating the transactions described in the Graham Agreement simultaneously with the closing of the Property.

(c) Buyer acknowledges that certain third parties have access easement rights over the Real Property to access the boat ramp and dock facilities located thereon and that certain other third parties may have rights in those and other Assets. Additionally, Buyer acknowledges that Seller may be required to enter into certain third party agreements affecting the Assets to consummate this transaction. Buyer shall have the right to (i) terminate this Agreement within ten (10) days from receipt of any third party agreement if the terms of the same are unacceptable to Buyer, in his reasonable discretion, or (ii) proceed to Closing without a deduction in the Purchase Price.

Upon termination by either party in accordance with this Paragraph 5, the Deposit will be refunded to Buyer, and the parties hereto will have no further rights, duties or obligations under

this Agreement.

6. Seller's Representations and Warranties. Seller represents and warrants as of the date hereof (or as of the date of delivery of the relevant schedules, as applicable) and as of the Closing Date as follows:

(a) Seller is duly organized and in good standing under the laws of the state of South Carolina and is duly qualified to transact business in South Carolina and has all requisite powers to enter into this Agreement and to perform Seller's obligations hereunder and under any document required to be executed or delivered on behalf of Seller hereunder.

(b) This Agreement has been duly authorized by all necessary action on the part of the Seller, has been duly executed and delivered on behalf of the Seller, constitutes the valid and binding agreement of the Seller, and is enforceable in accordance with its terms. Seller is not now bankrupt or insolvent, nor will it be made insolvent as a result of this transaction, and Seller does not expect to file for bankruptcy or other protection or relief from creditors.

8. Operation Prior to Closing. Between the date hereof and the Closing Date, Seller will conduct the operation of the Creek Club in the ordinary course in accordance with its past practices (except where such conduct would conflict with the obligations of Seller under this Agreement).

7. Brokerage Commission. Buyer and Seller each represents to the other that they have not dealt with any real estate broker or agent to which a real estate commission is or shall become due in connection with this transaction. Buyer and Seller each hereby indemnifies the other against and agrees to hold the other harmless from any liability or claim for any real estate brokerage commission or similar fee or compensation arising out of or in any way connected with any claimed agency or cooperative relationship with the indemnitor and relating to this Agreement or the purchase and sale of the Assets. The terms of this paragraph shall survive the rescission, cancellation, termination or consummation of this Agreement.

8. Closing Costs. The Seller shall be responsible for the fees and expenses of Seller's attorneys, deed preparation fees, the fees or taxes for documentary stamps or other transfer taxes, including all fees due pursuant to South Carolina Code Sections 12-24-10, et seq. with respect to the transfer of the Real Property to the Buyer, real estate or brokerage commissions to be paid by Seller pursuant to the terms hereof, and any other costs and expenses actually incurred by the Seller. The Buyer shall be responsible for the fees and expenses of Buyer's attorneys, real estate or brokerage commissions (if any) to be paid by Buyer pursuant to the terms hereof, and any other costs and expenses actually incurred by the Buyer. All other closing costs, if any, shall be allocated between Buyer and Seller as is customary in the applicable jurisdiction where the Real Property is located.

9. Adjustments and Prorations.

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(a) Adjustments and Prorations. Except as otherwise provided herein, the following matters and items shall be apportioned on the Closing Date between the parties hereto or, where applicable, credited in total to a particular party:

(i) Taxes and Assessments. All ad valorem taxes, personal property taxes, water and sewer rents, rates and charges and vault charges and other municipal permit fees.

(ii) Utilities. Telephone and other communications, water, sewer, heat, steam, electric power, gas, lighting and any other utility service, with Seller receiving a credit for all deposits, if any, made by Seller as security under any such public service contracts if the same is transferable and provided such deposit remains on deposit for the benefit of Buyer.

(iii) Assumed Contracts. Seller shall deliver to Buyer the amount of all refundable security deposits and fees held by, or paid to, Seller under the Assumed Contracts or, alternatively, the Buyer, in Buyer's discretion, shall receive a cash credit for such amounts at Closing.

10. Estimates and Adjustments; Accounting. If the actual amount of any item is not known as of Closing, the proration will be based on the most current and accurate billing information available. If the actual amount of any such item, when later determined, and prorated for the applicable period, differs from the credit given therefor, the parties shall promptly make the appropriate adjustment, and the party owing sums by reason of such adjustment shall promptly remit such sums to the other party.

11. Possession. Buyer shall be entitled to possession of the Assets upon Closing.

12. Default and Remedy.

(a) If Seller has performed its covenants and agreements hereunder but Buyer has breached its covenants and agreements hereunder and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, Seller shall be entitled to retain the Deposit paid by Buyer to Seller as and for Seller's liquidated damages and sole remedy for Buyer's default. If Seller has breached its covenants and agreements under this Agreement and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, then Buyer may (i) proceed against Seller to enforce its rights hereunder in an action for specific performance, or (ii) elect to terminate this Agreement, in which case Buyer shall be entitled to a full refund of the Deposit..

(b) Seller agrees to indemnify, defend, and hold Buyer harmless from and against all demands, claims, actions, losses, damages, liabilities, costs, and expenses, including without limitation reasonable attorney's fees and expenses, asserted against or incurred by the Buyer resulting from or arising out of (i) a breach of any covenant, agreement, representation, or warranty of Seller contained in this Agreement, or (ii) operation of Creek Club and

ownership of the Assets by Seller prior to the Closing. Buyer agrees to indemnify, defend, and hold Seller, its affiliates, and each of their officers, managers, directors, members, shareholders, employees, and agents (collectively, the "Seller's Indemnitees") harmless from and against all demands, claims, actions, losses, damages, liabilities, costs, and expenses, including without limitation reasonable attorney's fees and expenses, asserted against or incurred by the Seller's Indemnitees resulting from or arising out of (i) a breach of any covenant, agreement, representation, or warranty of Buyer contained in this Agreement or (ii) the operation of the Creek Club and ownership of the Assets by Buyer following the Closing.

(c) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the defaulting party shall reimburse the nondefaulting party for reasonable attorney's fees and expenses (including without limitation paralegal fees), including those incurred on appeal.

13. Survival. Except as otherwise expressly set forth herein, all of the terms, conditions, covenants, representations, warranties and agreements of this Contract shall survive and continue in full force and effect and shall be enforceable after the Closing.

14. Assignment. This Agreement shall not be assigned by either party without the written consent of the other party, provided that Buyer may assign this Agreement without the consent of Seller to an entity that is at least 50% owned or controlled by Buyer.

15. Notice. All notices shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) three (3) days after deposit in the United States Mail, with adequate postage, and sent by registered or certified mail with return receipt requested, to the appropriate party at the address set out below, (iii) one (1) Business Day after deposit with Federal Express, Express Mail or other overnight delivery service for next day delivery, addressed to the appropriate party at the address set out below, or (iv) when transmitted by facsimile to the facsimile number for each party set forth below, and a copy of such facsimile is sent out by one of the methods set forth in clauses (i) through (iii) above. No notice shall be deemed properly given unless sent by one of the methods set forth above and actually received or refused on a Business Day (as defined herein).

AS TO BUYER:

Michael Russo

Fax No.

AS TO SELLER:

, MANAGER

I'On Club, LLC
159 Civitas Street
Mt. Pleasant, SC 29464
Fax: 843.971.4748

WITH A COPY TO:

Daniel Q. Orvin, Esq.
Buist Moore Smythe McGee P. A.
Post Office Box 999
Charleston, South Carolina 29402
Fax No. 843-723-7398

16. Entire Agreement, Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written agreement between the parties. It is expressly agreed that there are no verbal understandings or agreements which in anyway change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

17. Severability. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect and the parties shall use their best efforts to substitute a like but enforceable and valid provision in lieu of the unenforceable or invalid provision.

18. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

19. Governing Law. This Agreement shall be governed by the law of the State of South Carolina.

20. Effective Date. The "Effective Date" of this Agreement for all purposes shall be the date when a fully-executed counterpart to this Agreement is delivered to the Buyer, signed and initialed by Buyer and Seller.

21. Business Days. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, occurs on a non-Business Day, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day. As used herein "Business Day" shall mean any day other than Saturday, Sunday and any other day that is a national holiday in the United States or a state

holiday in the State of South Carolina, or is a day on which banking institutions in either such nation or state are authorized or required by law or other governmental action to close.

22. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all copies shall constitute but one and the same Agreement, binding on all parties hereto, whether or not each counterpart is executed by all parties hereto, so long as each party hereto has executed one or more counterparts hereof.

23. Facsimile Signatures. The parties hereto acknowledge and agree that any party may execute and deliver facsimile copies of this Agreement and said facsimile copies will have the same binding effect as executed original counterparts.

24. Arbitration. Any claims or disputes arising out of or related to this Agreement are subject to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association, as amended and in effect at the time of such hearing. The arbitration shall take place in Charleston, South Carolina. Each party shall use all reasonable efforts to ensure that any arbitration proceeding is completed within sixty (60) days following notice of a request for arbitration hereunder. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable.

25. WAIVER OF JURY TRIAL. THE BUYER AND THE SELLER WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT.

26. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement to be executed as of the date and year first above written.

WITNESSES:

SELLER:

I'ON CLUB, LLC

~~By: The I'On Group, LLC~~
~~Its: Manager~~

By:

Its:

BUYER:

Michael Russo

EXHIBIT A

Real Property Description

ALL that certain lot, piece or parcel of land and all improvements thereon located in I'On, situate, lying and being in the Town of Mt. Pleasant, Charleston County, South Carolina, shown and designated as CV-6 on a plat entitled, "FINAL PLAT OF PHASE 2, SUBPHASES B THROUGH F, I'ON, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, S.C." prepared by Thomas & Hutton Engineering Co., dated September 12, 2000, and recorded on January 30, 2001 in the RMC Office for Charleston County in Plat Book EE, at Page 573, said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS No.: 535-06-00-230 (Lot CV-6)



EXHIBIT B

(a) A reservation of non-exclusive easements along the boundary lines of the Property for the installation and maintenance of utilities contained in the Declaration;

(d) Easement to South Carolina Electric and Gas Company, recorded in Book X115 at page 28, RMC Office for Charleston County;

(e) Easements for access, utilities and drainage reserved in the deed from David N. Jordan, KREPS Investment Company, LLC, KAYJ Investment Company, LLC, L-J, Inc. and Barbara J. Alford, as Trustee of the Trust under the Will of Hampton S. Alford to the I'On Company, L.L.C. dated August 12, 1997 and recorded in the RMC Office for Charleston County in book J288 at page 190.

(f) Easement to BellSouth Telecommunications, Inc. dated November 6, 1997 and recorded November 7, 1997 in the RMC Office for Charleston County in Book U292 at page 209;

(g) The restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. Seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(h) Zoning or other restrictions of record as imposed by governmental authorities having jurisdiction over the use of the property.

(i) Any interest created by or limitations on use imposed by the Federal Coastal Zone Management Act or other Federal law or regulations or by South Carolina Code Section 48-39-10 through Section 48-39-220, as amended, or any regulations promulgated pursuant to said State or Federal Laws, inclusive of DHEC (formerly South Carolina Coastal Council) and U.S. Army Corps of Engineers.

(j) Ad valorem property taxes and governmental assessments not due prior to closing of this sale.

(k) All easements, conditions, restrictions and other matters contained in Declarations of Restrictive Covenants dated December 10, 1998 and recorded in the RMC Office for Charleston County in Book L313 at page 13 and as shown on the plat entitled "Plat of Wetlands and Buffers for I'On, Town of Mt. Pleasant, Charleston County, SC" dated June 9, 1998 by Thomas and Hutton Engineering Company and recorded in Plat Book EC at pages 899-903, aforesaid records.

(l) Easement to CPW in Book J316 at page 228 and O319 at page 482.

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, § 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA (1976), AS AMENDED.

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("Agreement") is made and entered into as of this 18 day of JUNE, 2009, by and between I'On Club, LLC, a South Carolina limited liability company ("Seller"), and Michael Russo and his permitted assigns ("Buyer").

RECITALS

WHEREAS, Seller is the owner of certain Real Property and Personal Property (each as defined herein), and Seller rents the building and associated facilities located on such Real Property, together with the Personal Property for various events under the trade name Creek Club at I'On (the "Creek Club");

WHEREAS, Buyer and Thomas C. Graham, Vincent G. Graham and Geoffrey D. Graham (collectively, "Graham") have entered into a Purchase and Sale Agreement of even date herewith, for the purchase and sale of certain real property described therein (the "Graham Agreement");

WHERERAS, Buyer and The I'On Company, LLC ("TIC") entered into a Purchase and Sale Agreement of even date herewith, for the purchase and sale of certain real property described therein (the "TIC Agreement");

WHEREAS, Seller has agreed to sell to Buyer certain assets owned by Seller and used in connection with its operation of the Creek Club, all in accordance with the terms and conditions hereinafter set forth; and

WHEREAS, the parties have agreed that Seller's obligation to consummate the transactions described in this Agreement (including, without limitation, the sale of certain assets of the I'On Club and I'On Creek Club described herein to Buyer) is contingent on Buyer simultaneously consummating the transactions described in the Graham Agreement and the TIC Agreement.

NOW, THEREFORE, for and in consideration of the sum of Ten and No/100ths Dollars ($10.00) paid by Buyer to Seller and subject to the mutual terms, covenants, conditions and agreements hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The above recitals are incorporated herein by reference.

2. Purchase and Sale of Assets. Seller agrees to sell and Buyer agrees to purchase the following assets of Seller (the "Assets"):



(a) the property more particularly described in Exhibit A attached hereto and incorporated herein by reference, together with all buildings, structures and improvements thereon, fixtures and equipment, including any light fixtures, and also together with all and singular the tenements, hereditaments, rights, easements and appurtenances now or hereafter belonging thereto (collectively, the "Real Property");

(b) Certain fixtures, appliances, tables, chairs, and exterior furniture owned by Seller and used or held for use in connection with the business or operation of the Creek Club, set forth on Schedule 1 attached hereto and incorporated herein by reference (collectively, the "Personal Property");

(c) Seller's interest in the leases, subleases, and rental agreements that grant a possessory interest in and to any space situated on the Real Property or that otherwise grant rights with regard to use of all or any portion of the Real Property, and all prepaid rentals (to the extent applicable to a period beyond the Closing Date and security deposits thereunder, set forth on Schedule 2 attached hereto and incorporated herein by reference (collectively, the "Assumed Leases"); and

(d) Seller's interest in the contracts, options, purchase orders, commitments or other agreements relating to the Assets or the operation of the Creek Club, set forth on Schedule 3 attached hereto and incorporated herein by reference (collectively, the "Assumed Agreements", together with the Assumed Leases, the "Assumed Contracts"); and

(e) All goodwill associated with the Creek Club.

Buyer shall not assume, in connection with the transactions contemplated hereby, any liability or obligation of the Seller whatsoever, and the Seller shall retain responsibility for all liabilities and obligations accrued or incurred prior to Closing and all liabilities and obligations arising from the Seller's operations prior to Closing, whether or not accrued and whether or not disclosed. As the sole exception to the previous sentence, effective as of the time of Closing, the Buyer shall assume the obligations of the Seller under each Assumed Contract that is expressly assumed by Buyer in accordance with the terms hereof to the extent such obligations are not required to be performed prior to Closing, and accrue and relate to the operation of the Creek Club subsequent to the Closing.

3. Assets Excluded from Sale. Seller does not intend to sell to Buyer, and Buyer will not acquire under the terms hereof, any of the following assets of the Seller:

(a) Any cash on hand (or cash equivalents), securities, demand, savings, or other deposits in any bank or savings and loan institution or other financial institution, any negotiable or non-negotiable instruments, or any other investments (except as otherwise provided herein);

(b) Any accounts receivable of the Seller for rentals on or before the date of Closing;

(c) all refunds related to the Creek Club accruing on or before the date of closing.

(d) Any personal effects of Seller specifically described on the attached Schedule 4.

4. Purchase Price and Deposit. The consideration to be paid to the Seller for the Assets at the Closing is One Million Four Hundred Thousand and 00/100 Dollars ($1,400,000.00) ("Purchase Price"), payable as follows:

(a) On or before the Effective Date, Buyer shall deposit an earnest money deposit in the sum of Twenty Thousand and 00/100 ($20,000.00) Dollars (the "Deposit") with Buist Moore Smythe McGee PA, ("Escrow Agent") to be held in escrow in a non-interest bearing account by Escrow Agent as provided herein. Unless this Agreement is sooner terminated as provided herein, the Deposit shall be applied to the Purchase Price at Closing (as hereinafter defined); and

(b) The balance of the Purchase Price, less credit for the Deposit and further subject to such other credits, prorations and adjustments as are provided herein, shall be paid at Closing by Buyer in immediately available funds.

5. Allocation of Purchase Price. The Purchase Price for the Assets shall be allocated as shown on Schedule 5. Buyer and Seller agrees to comply with IRC §1060 if necessary and shall report the transactions for all tax purposes in a manner consistent with such allocation.

6. Closing. The closing of the purchase and sale of the Assets, herein called "Closing", shall be held thirty (30) days after the expiration of the Inspection Period, as hereinafter defined (the "Closing Date"), at the offices of Buyer's attorney or at such other place as shall be mutually agreeable to the parties hereto. Buyer acknowledges and agrees that the Closing shall be held simultaneously with the closing of the property described in the Graham Agreement and the property described in the TIC Agreement.

(a) On the date of the Closing, the Seller shall execute, where necessary, and deliver to Buyer the following:

(i) A general warranty indenture deed in recordable form conveying the Property to Buyer in fee simple free and clear of all liens and encumbrances except for: (i) zoning and other applicable laws; (ii) taxes or governmental assessments for the then current year which are not yet due and payable; (iii) all agreements, covenants, conditions, easements, and restrictions of record which may affect the Property; (iv) all facts which are shown on any existing survey or would be shown on a current survey of the Property; (v) a reservation of non-exclusive easements for the installation and maintenance of all utilities (A) adjacent to, parallel with and within 3 feet of the two side boundary lines of the Property, and (B) within applicable setbacks for the front and rear boundary lines; (vi) the restriction that the Property shall not be

used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et seq., S.C. Code (1976), as amended, without the express, written consent of Seller or TIC, its successors and assigns; and (vii) other matters approved or waived by Buyer as provided for in this Agreement (collectively, the "Permitted Exceptions").

(ii) A FIRPTA Certificate and Seller's tax identification number or Social Security Number.

(iii) an officer's affidavit of Seller certifying as to the validity and accuracy of the attached certificates of existence and good standing, certified copies of articles of organization or incorporation, operating agreement or bylaws, authorizing resolutions, and incumbency of the persons executing the transaction documents.

(iv) Seller's affidavits and state tax withholding affidavits.

(v) One or more bills of sale and assignments, executed by Seller in form and substance reasonably satisfactory to Buyer, conveying the Assets (other than the Real Property) to Buyer free and clear of all encumbrances.

(vi) A current tax compliance letter as to Seller from the South Carolina Department of Revenue or a current Transferor Affidavit executed by Seller stating that the conveyance of the Property is not part of a transfer of a majority of assets of the business of Seller, based on the fair market value of the real property transferred.

(vii) Such other documents as may reasonably be requested by Buyer or his counsel to effectuate the transactions contemplated hereunder.

(b) The On the date of the Closing, the Buyer shall execute, where necessary, and deliver to Seller the following:

(i) The Purchase Price payable in accordance with the terms of Paragraph 4 above.

(ii) Such assignment and assumption agreements as necessary to evidence the assumption of the Assumed Contracts by Buyer.

(iii) Such other documents as may reasonably be requested by Seller or its counsel to effectuate the transactions contemplated hereunder.

The sale described herein shall be closed in escrow pending recording of all recordable documents. Each party shall at any time and from time to time after the Closing execute, acknowledge where required, and deliver such further instruments and documents, and take such other action as may be reasonably requested by the other party in order to carry out the purposes of this Agreement.

7. Inspection Period. For the period commencing on the Effective Date and expiring at 5:00 P.M.E.D.T. on the 30th day thereafter (the "Inspection Period"), Buyer and its agents shall have the right to make an inspection of the Assets, including title matters, soil, engineering, planning, environmental, permitting, zoning or other studies and investigations as Buyer shall deem appropriate. Buyer shall have the right, during the Inspection Period, to examine and inspect the books and records relating to operations of the Creek Club and the Assets, which books and records shall be made available to Buyer at the Seller's office during normal business hours. Buyer shall have the right to physically inspect the Assets during the Inspection Period, conduct such studies and review such of the books and records relating to the operation of the Creek Club as Buyer may elect, and determine whether the Assets are satisfactory for Buyer's contemplated use thereof. Buyer or Buyer's authorized representatives shall have the right from and after the Effective Date to enter upon and make tests on the Real Property, including, but not limited to, tests to determine the presence of any hazardous materials. Such inspections are to be conducted in a manner as not to unreasonably interfere with the operation of the Creek Club by Seller. Buyer shall pay all costs incurred by Buyer in making any such inspections and investigations and shall indemnify, defend and hold the Seller harmless from any liens, claims, losses and liabilities arising out of the Buyer's exercise of such right and privilege to go upon the Real Property. If the Real Property is disturbed in any manner by Buyer or its agents or representatives in accomplishing such inspections, tests or investigation, Buyer shall restore the Real Property to its prior existing condition or a condition as close thereto as commercially reasonable. Buyer acknowledges that this Agreement is entered into by Buyer without reliance on any warranties, statements or representations, either written or oral, express or implied, by Seller, or by any agent, employee or representative of Seller, or by any broker or other person purporting to represent Seller, relating to the marketability or investment potential of the Assets, the zoning or use of the Real Property, the legal or tax consequences of this Agreement and the purchase or ownership of the Assets, or other matters, except as set forth in this Agreement between Seller and Buyer. Buyer warrants and represents to Seller that if such matters are of concern to him, Buyer has sought and obtained independent advice relative thereto.

In the event Buyer, in Buyer's sole judgment and discretion, concludes that said inspections, reviews, studies and/or investigations are not satisfactory, for any or no specific reason, then Buyer may terminate this Agreement by delivering written notice of such determination to Seller on or before the expiration of the Inspection Period. If Buyer fails to timely give such notice of termination to Seller, this Paragraph shall be of no further force and effect, and Buyer shall have no further right to terminate this Agreement pursuant to this Paragraph. If Buyer does give notice of termination to Seller on or before the expiration of the Inspection Period, then the Deposit shall be refunded to Buyer, less the sum of One Hundred and 00/100 Dollars ($100.00) as consideration for Buyer's inspection rights as set forth herein, and the parties hereto shall have no further rights, duties or obligations under this Agreement.

8. Conditions to Closing. The following shall be conditions to the applicable parties' obligation to close the contemplated transaction:

(a) If Seller determines that the consummation of the transactions contemplated hereby violates any third party rights ("Third Party Violation"), Seller shall disclose such Third Party Violation to Buyer and either party may elect to terminate this agreement within fourteen (14) days from Buyer's receipt of written notice of the same.

(b) Seller's obligation to close shall be contingent upon Buyer consummating the transactions described in the Graham Agreement and the TIC Agreement simultaneously with the closing of the purchase and sale of the Assets.

Upon termination by either party in accordance with this Paragraph 8, the Deposit will be refunded to Buyer, and the parties hereto will have no further rights, duties or obligations under this Agreement.

9. Seller's Representations and Warranties. Seller represents and warrants as of the date hereof (or as of the date of delivery of the relevant schedules, as applicable) and as of the Closing Date as follows:

(a) Seller is duly organized and in good standing under the laws of the state of South Carolina and is duly qualified to transact business in South Carolina and has all requisite powers to enter into this Agreement and to perform Seller's obligations hereunder and under any document required to be executed or delivered on behalf of Seller hereunder.

(b) This Agreement has been duly authorized by all necessary action on the part of the Seller, has been duly executed and delivered on behalf of the Seller, constitutes the valid and binding agreement of the Seller, and is enforceable in accordance with its terms. Seller is not now bankrupt or insolvent, nor will it be made insolvent as a result of this transaction, and Seller does not expect to file for bankruptcy or other protection or relief from creditors.

10. Operation Prior to Closing. Between the date hereof and the Closing Date, Seller will conduct the operation of the Creek Club in the ordinary course in accordance with its past practices (except where such conduct would conflict with the obligations of Seller under this Agreement).

11. Use and Development of Real Property; Rezoning. Notwithstanding anything contained herein to the contrary, if the Real Property is ever:

(a) used or developed for residential purposes or rezoned for residential use, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Declaration of Covenants, Conditions and Restrictions for I'On", recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Residential Declaration"), and all related documents referenced therein, and those set forth in the I'On Code. Buyer acknowledges and agrees that if

the Real Property is ever used or developed for residential purposes or rezoned for residential use, Buyer and any successor in title shall automatically become a member of the I'On Assembly, Inc., and remain a member so long as Buyer and any successor in title hold title to the Real Property. Buyer acknowledges that only builders approved by TIC, the developer of I'On, may construct homes or improvements or complete renovations on homes in I'On. Such approval requirement is for the protection of TIC, only and shall not be construed to create any duty or liability to Buyer on the part of TIC. Buyer agrees that Buyer shall not permit any person other than a builder approved by TIC to construct a home on the Real Property while title is vested in Buyer. Buyer also acknowledges that builders in the I'On Guild who construct homes or provide construction services in I'On have agreed to pay the William Means Real Estate, LLC and/or the listing agent a commission of six percent (6%) of the Gross Sales Price of the improvements to be constructed by such builder on lots in I'On owned by third party buyers, such as Buyer. This Commission is to be calculated as follows: Commission = .06 x Gross Sales Price. The Gross Sales Price includes the Commission and can be calculated as follows: Gross Sales Price = The total of cost of improvements and overhead and profit divided by 0.94. Such commission shall be paid upon closing of the construction loan or commencement of construction, whichever next occurs after the builder enters into the contract for construction of a home for which a commission is payable. As set forth above, no commission to cooperating brokers will be paid by TIC or the Seller on the cost of improvements; or,

(b) used or developed for commercial purposes or rezoned for commercial use, it shall automatically become subject to all covenants, restrictions, conditions, easements, rights, reservations, limitations, limitations on use, architectural and landscape approvals, and affirmative obligations to pay all assessments and charges as set forth in the "Conditions, and Restrictions for I'On Square, dated August 23, 2000, and recorded September 8, 2000, in Book R354, Page 129 in the RMC Office for Charleston County, South Carolina, along with all recorded supplements and amendments thereto (collectively the "Commercial Declaration"), and all related documents referenced therein. Buyer acknowledges and agrees that if the Real Property is ever used or developed for commercial purposes or rezoned for commercial use, Buyer and any successor in title shall automatically become a member of the I'On Square Association, Inc., and remain a member so long as Buyer and any successor in title hold title to the Real Property.

The covenants and limitations contained in this Paragraph 11, among others set forth herein, are covenants that run with the land and are thus applicable and binding upon all successors in title to the Real Property. Such covenants and limitations shall be included in the Deed. Buyer agrees to execute such other documents (recordable or otherwise) necessary to effect the intent of this Paragraph 11.

12. Design Review and Approval. No structure or exterior items shall be placed, erected, or installed upon the Real Property, and no improvements or site work, exterior alterations of existing improvements, or planting or removal of landscaping, shall take place on any portion of the Real Property unless the design and plans for such is reviewed and approved

in writing by Seller or TIC, their successors and assigns; provided however, that if the Real Property is used or developed for residential or commercial purposes or rezoned for residential or commercial uses, which results in the Real Property becoming subject to the Residential Declaration or the Commercial Declaration as provided in Paragraph 11 above, such review and approval shall be made in accordance with the applicable declaration. The covenants and limitations contained in this Paragraph 12, among others set forth herein, are covenants that run with the land and are thus applicable and binding upon all successors in title to the Real Property. Such covenants and limitations shall be included in the Deed. Buyer agrees to execute such other documents (recordable or otherwise) necessary to effect the intent of this Paragraph 12.

13. Closing Costs. The Seller shall be responsible for the fees and expenses of Seller's attorneys, deed preparation fees, the fees or taxes for documentary stamps or other transfer taxes, including all fees due pursuant to South Carolina Code Sections 12-24-10, et seq. with respect to the transfer of the Real Property to the Buyer, real estate or brokerage commissions to be paid by Seller, and any other costs and expenses actually incurred by the Seller. The Buyer shall be responsible for the fees and expenses of Buyer's attorneys, real estate or brokerage commissions to be paid by Buyer, and any other costs and expenses actually incurred by the Buyer. All other closing costs, if any, shall be allocated between Buyer and Seller as is customary in the applicable jurisdiction where the Real Property is located.

14. Adjustments and Prorations.

(a) Adjustments and Prorations. Except as otherwise provided herein, the following matters and items shall be apportioned on the Closing Date between the parties hereto or, where applicable, credited in total to a particular party:

(i) Taxes and Assessments. All ad valorem taxes, personal property taxes, water and sewer rents, rates and charges and vault charges and other municipal permit fees.

(ii) Utilities. Telephone and other communications, water, sewer, heat, steam, electric power, gas, lighting and any other utility service, with Seller receiving a credit for all deposits, if any, made by Seller as security under any such public service contracts if the same is transferable and provided such deposit remains on deposit for the benefit of Buyer.

(iii) Assumed Contracts. Seller shall deliver to Buyer the amount of all refundable security deposits and fees held by, or paid to, Seller under the Assumed Contracts or, alternatively, the Buyer, in Buyer's discretion, shall receive a cash credit for such amounts at Closing.

15. Estimates and Adjustments; Accounting. If the actual amount of any item is not known as of Closing, the proration will be based on the most current and accurate billing information available. If the actual amount of any such item, when later determined, and prorated for the applicable period, differs from the credit given therefor, the parties shall

promptly make the appropriate adjustment, and the party owing sums by reason of such adjustment shall promptly remit such sums to the other party.

16. Possession. Buyer shall be entitled to possession of the Assets upon Closing.

17. Reservation of Right. Seller shall reserve, for the benefit of Seller and TIC, their successors or assigns, a non-exclusive perpetual easement in the Deed conveying the Real Property to Buyer for the storage of four (4) kayaks under the porch of the building located on the Real Property or if unavailable, in such other comparable location on the Real Property as the Buyer may determine in his reasonable discretion.

18. Default and Remedy.

(a) If Seller has performed its covenants and agreements hereunder but Buyer has breached its covenants and agreements hereunder and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, Seller shall be entitled to retain the Deposit paid by Buyer to Seller as and for Seller's liquidated damages and sole remedy for Buyer's default. If Seller has breached its covenants and agreements under this Agreement and has failed, refused or is unable to consummate the purchase and sale contemplated herein by the date of Closing, then Buyer may (i) proceed against Seller to enforce its rights hereunder in an action for specific performance, or (ii) elect to terminate this Agreement, in which case Buyer shall be entitled to a full refund of the Deposit.

(b) Seller agrees to indemnify, defend, and hold Buyer harmless from and against all demands, claims, actions, losses, damages, liabilities, costs, and expenses, including without limitation reasonable attorney's fees and expenses, asserted against or incurred by the Buyer resulting from or arising out of (i) a breach of any covenant, agreement, representation, or warranty of Seller contained in this Agreement, or (ii) operation of Creek Club and ownership of the Assets by Seller prior to the Closing. Buyer agrees to indemnify, defend, and hold Seller, its affiliates, and each of their officers, managers, directors, members, shareholders, employees, and agents (collectively, the "Seller's Indemnitees") harmless from and against all demands, claims, actions, losses, damages, liabilities, costs, and expenses, including without limitation reasonable attorney's fees and expenses, asserted against or incurred by the Seller's Indemnitees resulting from or arising out of (i) a breach of any covenant, agreement, representation, or warranty of Buyer contained in this Agreement or (ii) the operation of the Creek Club and ownership of the Assets by Buyer following the Closing.

(c) If it shall be necessary for either Buyer or Seller to employ an attorney to enforce its rights pursuant to this Agreement because of the default of the other party, the defaulting party shall reimburse the non-defaulting party for reasonable attorney's fees and expenses (including without limitation paralegal fees), including those incurred on appeal.

19. Survival. If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and

remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

20. Assignment. This Agreement shall not be assigned by either party without the written consent of the other party, provided that Buyer may assign this Agreement without the consent of Seller to an entity that is at least 50% owned or controlled by Buyer.

21. Notice. All notices shall be in writing and shall be deemed to have been properly given on the earlier of (i) when delivered in person, (ii) three (3) days after deposit in the United States Mail, with adequate postage, and sent by registered or certified mail with return receipt requested, to the appropriate party at the address set out below, (iii) one (1) Business Day after deposit with Federal Express, Express Mail or other overnight delivery service for next day delivery, addressed to the appropriate party at the address set out below, or (iv) when transmitted by facsimile to the facsimile number for each party set forth below, and a copy of such facsimile is sent out by one of the methods set forth in clauses (i) through (iii) above. No notice shall be deemed properly given unless sent by one of the methods set forth above and actually received or refused on a Business Day (as defined herein).

AS TO BUYER:

Michael Russo

_____

_____

Fax No. _____

AS TO SELLER:

_____

I'On Club, LLC
159 Civitas Street
Mt. Pleasant, SC 29464
Fax: 843.971.4748

WITH A COPY TO:

Daniel Q. Orvin, Esq.
Buist Moore Smythe McGee P. A.
Post Office Box 999
Charleston, South Carolina 29402
Fax No. 843-723-7398

22. Entire Agreement; Modification. This Agreement constitutes the entire and complete agreement between the parties hereto and supersedes any prior oral or written

agreement between the parties. It is expressly agreed that there are no verbal understandings or agreements which in anyway change the terms, covenants and conditions herein set forth, and that no modification of this Agreement and no waiver of any of its terms and conditions shall be effective unless made in writing and duly executed by the parties hereto.

23. Confidentiality. Without the prior written consent of the other party, neither the Seller nor the Buyer will disclose to any person or entity, other than its legal counsel, a proposed lender, necessary governmental authorities and/or other agents with a reasonable need to know such information, either the fact that this Agreement has been entered into or any of the terms, conditions or other facts with respect thereto, including the status thereof. Seller will not disclose to any person or entity, other than its legal counsel, any personal or financial information provided to Seller by Buyer in connection with the transaction contemplated by this Agreement.

24. Assets "As Is". Buyer acknowledges and agrees that, prior to purchasing the Assets, Buyer will have inspected the physical condition of the Assets and upon the Closing shall conclusively be deemed to have been satisfied with the results of the physical inspection. Buyer further acknowledges and agrees that, except as otherwise set forth herein, it is purchasing the Assets on an "AS IS" basis and "WITH ALL FAULTS" condition WITH NO WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

25. Severability. Any provision of this Agreement which is unenforceable or invalid or the inclusion of which would affect the validity, legality or enforcement of this Agreement shall be of no effect, but all the remaining provisions of this Agreement shall remain in full force and effect and the parties shall use their best efforts to substitute a like but enforceable and valid provision in lieu of the unenforceable or invalid provision.

26. Disclosures. Buyer acknowledges that certain parties have the right to use the dock and boat ramp facilities that are part of the Real Property pursuant to a "Recreational Easement and Agreement to Share Costs" dated _____ recorded on _____ in Book _____, Page ____ the RMC Office for Charleston County, South Carolina. Buyer also acknowledges that Seller has disclosed to Buyer that certain owners in the I'On neighborhood have alleged certain rights and interests in the Real Property and dock facilities located thereon in connection with a HUD Property Report prepared and issued by TIC as the developer of the I'On neighborhood.

27. Binding Effect. All covenants, agreements, warranties and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, personal representatives, successors and assigns.

28. Survival. The provisions of this Agreement and any Exhibits or Schedules attached hereto which contemplate performance after Closing shall survive the Closing and shall not be merged into or with the Deed.

29. Escrow Agent. The Escrow Agent shall have no duties except as stated herein. The parties agree that it shall not constitute a conflict of interest for the Escrow Agent to represent one of the parties in connection with this Agreement. If the Escrow Agent is in doubt as to its duties or liabilities under this Agreement, for any reason, it may, in its sole discretion, continue to hold the said Deposit, or so much thereof as it deems appropriate until: (a) Seller and Buyer mutually agree to disbursement thereof, (b) an order or judgment of a court of competent jurisdiction determines the rights of the parties hereto, or (c), as an alternative, the Escrow Agent shall have the right to interplead such Deposit with the Clerk of the Court of Common Pleas for the County in which the Property is located, and upon notifying both the Buyer and Seller of such action, all duties of the Escrow Agent under the terms of the Agreement shall terminate, except to the extent of accounting for such escrow funds. The Escrow Agent shall not be liable for anything it may do or refrain from doing in connection herewith provided that it acts in good faith and without gross negligence or intentional breach of this Agreement. Unless a dispute shall arise relating to the Escrow Agent's duties, Buyer shall be responsible for the Escrow Agent's fees. In the event that the Escrow Agent becomes involved in litigation relating to the Escrow, the non-prevailing party shall be responsible for the payment of the Escrow Agent's reasonable fees and expenses and for the reasonable attorney fees and costs of the prevailing party.

30. Governing Law. This Agreement shall be governed by the laws of the State of South Carolina.

31. Effective Date. The "Effective Date" of this Agreement for all purposes shall be the date when a fully-executed counterpart to this Agreement is delivered to the Buyer, signed and initialed by Buyer and Seller.

32. Business Days. If the time period by which any right, option or election provided under this Agreement must be exercised, or by which any act required hereunder must be performed, or by which the Closing must be held, occurs on a non-Business Day, then such time period shall be automatically extended through the close of business on the next regularly scheduled Business Day. As used herein "Business Day" shall mean any day other than Saturday, Sunday and any other day that is a national holiday in the United States or a state holiday in the State of South Carolina, or is a day on which banking institutions in either such nation or state are authorized or required by law or other governmental action to close.

33. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall serve as an original for all purposes, but all copies shall constitute but one and the same Agreement, binding on all parties hereto, whether or not each counterpart is executed by all parties hereto, so long as each party hereto has executed one or more counterparts hereof.

34. Facsimile Signatures. The parties hereto acknowledge and agree that any party may execute and deliver facsimile copies of this Agreement and said facsimile copies will have the same binding effect as executed original counterparts.

35. Arbitration. Any claims or disputes arising out of or related to this Agreement are subject to binding arbitration pursuant to the Commercial Rules of the American Arbitration Association, as amended and in effect at the time of such hearing. The arbitration shall take place in Charleston, South Carolina. Each party shall use all reasonable efforts to ensure that any arbitration proceeding is completed within sixty (60) days following notice of a request for arbitration hereunder. The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable.

36. WAIVER OF JURY TRIAL. THE BUYER AND THE SELLER WAIVE TRIAL BY JURY WITH RESPECT TO ANY ACTION, CLAIM, SUIT OR PROCEEDING ARISING OUT OF THIS AGREEMENT.

37. TIME OF THE ESSENCE. TIME IS OF THE ESSENCE OF THIS AGREEMENT.

[remainder of page left intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Purchase and Sale Agreement to be executed as of the date and year first above written.

WITNESSES:

Chad Beseneker

Pam Martin

SELLER:

I'ON CLUB, LLC

By: The I'On Group, LLC
Its: Manager

By: _____
VINCENT GRAHAM

Its: MANAGER

Chad Beseneker

BUYER

_____
Michael Russo

EXHIBIT A

Real Property

ALL that certain lot, piece or parcel of land and all improvements thereon located in I'On, situate, lying and being in the Town of Mt. Pleasant, Charleston County, South Carolina, shown and designated as CV-6 on a plat entitled, "FINAL PLAT OF PHASE 2, SUBPHASES B THROUGH F, I'ON, TOWN OF MT. PLEASANT, CHARLESTON COUNTY, S.C." prepared by Thomas & Hutton Engineering Co., dated September 12, 2000, and recorded on January 30, 2001 in the RMC Office for Charleston County in Plat Book EE, at Page 573, said lot having such size, shape, dimensions, buttings and boundings as will by reference to said plat more fully appear.

TMS No.: 535-06-00-230 (Lot CV-6)

Schedule 1

"Personal Property"

1. On-site furniture including leather chair, podium, 125 folding chairs, 15 round tables, 6 rectangle tables, storage racks, 6 rocking chairs, and 2 picnic tables
2. Kitchen appliances including stove and refrigerator.
3. Computer and video surveillance system
4. Large screen TV

Schedule 2

"Assumed Leases"

1. See attached rental Logmaster and deposits
2. Kayak storage space rentals

Schedule 3

"Assumed Agreements"

1. BuzzOff insect services
2. Landscape service (monthly agreement)
3. Ice machine lease

Schedule 4

"Personal Effects of Seller"

1. Construction equipment stored onsite including streetlights, construction equipment and gate.
2. Realty signage and post diggers
3. Kayaks
4. Charleston waterways framed artwork

Schedule 5

"Allocation of Price"

1. Land, Building and Fixed Assets $1,070,000
2. Docks $330,000

Schedule 6

(a) A reservation of non-exclusive easements along the boundary lines of the Property for the installation and maintenance of utilities contained in the Declaration;

(d) Easement to South Carolina Electric and Gas Company, recorded in Book X115 at page 28, RMC Office for Charleston County;

(e) Easements for access, utilities and drainage reserved in the deed from David N. Jordan, KREPS Investment Company, LLC, KAYJ Investment Company, LLC, L-J, Inc. and Barbara J. Alford, as Trustee of the Trust under the Will of Hampton S. Alford to the I'On Company, L.L.C. dated August 12, 1997 and recorded in the RMC Office for Charleston County in book J288 at page 190.

(f) Easement to BellSouth Telecommunications, Inc. dated November 6, 1997 and recorded November 7, 1997 in the RMC Office for Charleston County in Book U292 at page 209;

(g) The restriction that the Property shall not be used for any type of Vacation Time Sharing Plan as defined by Section 27-32-10 et. Seq., S.C. Code (1976), as amended, without the express, written consent of Seller, its successors and assigns;

(h) Zoning or other restrictions of record as imposed by governmental authorities having jurisdiction over the use of the property.

(i) Any interest created by or limitations on use imposed by the Federal Coastal Zone Management Act or other Federal law or regulations or by South Carolina Code Section 48-39-10 through Section 48-39-220, as amended, or any regulations promulgated pursuant to said State or Federal Laws, inclusive of DHEC (formerly South Carolina Coastal Council) and U.S. Army Corps of Engineers.

(j) Ad valorem property taxes and governmental assessments not due prior to closing of this sale.

(k) All easements, conditions, restrictions and other matters contained in Declarations of Restrictive Covenants dated December 10, 1998 and recorded in the RMC Office for Charleston County in Book L313 at page 13 and as shown on the plat entitled "Plat of Wetlands and Buffers for I'On, Town of Mt. Pleasant, Charleston County, SC" dated June 9, 1998 by Thomas and Hutton Engineering Company and recorded in Plat Book EC at pages 899-903, aforesaid records.

(l) Easement to CPW recorded in the RMC Office for Charleston County in Book J316 at page 228 and O319 at page 482.

(m) Recreational Easement and Agreement to Share Costs dated _____ recorded on _____ in Book _____, Page _____ the RMC Office for Charleston County, South Carolina.

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

* Received by: _____ Date: 9/27/98
Street Address: _____
City _____ State _____ Zip _____

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

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 52 Block _____ Section _____
Name of Salesperson: Brigham E. Woodward
Signature: _____ Date: 9/27/98

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____



RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: William Allen Date: 11/23/98
Street Address: [redacted]
City Mt Pleasant State SC Zip 29464

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

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 100 Block _____ Section _____
Name of Salesperson: Brigham C. Woodward
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

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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 our Property Report.

Received by: Thomas A. Achen Date: 11-23-98
Street [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 56 Block _____ Section _____
Name of Salesperson: WILLIAM H. ORAMS
Signature: William H. Orams Date: NOVEMBER 20, 1998

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:

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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 our Property Report.

Received by: _____ Date: 11/24/98
Street Address: [redacted]
City Ferris State TX Zip 75142

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

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 _____ Block _____ Section _____
Name of Salesperson: Brighton C. Woodward
Signature: _____ Date: 11/22/98

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:

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

* Received by: _____ Date: 11/25/98
Street Address: _____
City _____ State _____ Zip _____

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

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 67 Block Phase 1 Section A
Name of Salesperson: Brigham E. Woodward
Signature: _____ Date: 11/25/98

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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Received by: **Richard W. Raiford, Sr.** Date: 12/6/98

[redacted]

City _____ State _____ Zip _____

Richard W. Raiford Sr

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

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 153 Block — Section I'On

Name of Salesperson: Peggy S. Caskie

Signature: [signature] Date: 2/20/98

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [redacted] Date: 12/7/98
Street Address: [redacted]
City Isle of Palms State SC Zip 29451

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

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 151 Block Section
Name of Salesperson: William H. Orange
Signature: William H. Orange Date: December 7, 1998

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: I'On
Date of Contract:

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

Purchaser(s) signature: Date:

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
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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 our Property Report.

Received by: [redacted] Date: 12-7-98

[redacted]

City Charleston State SC Zip 29412

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

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 152 Block _____ Section _____
Name of Salesperson: William H. Orange
Signature: William H. Orange Date: 12-7-1998

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: I'On
Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Received by: _____ Date: _____
Street Address [redacted]
City _____ State _____ Zip _____

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

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 14 Block — Section I'On Phase I-A
Name of Salesperson: Peggy Shelton Castle
Signature: _____ Date: December 10, 1998

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:

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Purchaser(s) signature: _____ Date: _____

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Received by: Elizabeth L. Eble Date: 12-21-98
Street Address: [redacted]
City Isle of Palms State SC Zip 29451

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

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 96 Block _____ Section _____
Name of Salesperson: WILLIAM H. ORANGE
Signature: William H. Orange Date: NOVEMBER 20 1998

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:

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

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X Received by: James F. Sill Margaret M. Slayden Date: December, 1998
X Street Address: [redacted]
X City Houston State Texas Zip 77024

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

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 257 Block Section I'On
Name of Salesperson: Peggy L. Castle
Signature: Peggy L. Castle Date: December 29, 1998

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: I'On
Date of Contract:

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

Purchaser(s) signature: Margaret M. Slayden Date: 1-7-99
James F Sill

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: JAN 4 1999
Street Address: [redacted]
City Atlanta State GA Zip 3[illegible]

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

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 11 Block _____ Section _____
Name of Salesperson: WILLIAM H. ORANGE
Signature: William H Orange Date: JAN 4 1999

PURCHASER CANCELLATION

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Received by: _____ Date: 1-7-99
Street Address: _____
City _____ State _____ Zip _____

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Office of Interstate Land Sales Registration
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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 34 Block A Section I'On
Name of Salesperson: _____
Signature: _____ Date: 1-5-99

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:

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Received by: Denise Fraser Date: 1.8.99
Street Address: [redacted]
City Mt. Pleasant State: SC Zip 29464

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

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 101 Block _____ Section PHASE I-C
Name of Salesperson: Brigham E. Woodward
Signature: [signature] Date: 1/7/99

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:

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Received by: _____ Date: 1/12/99
Street Address: [redacted]
City Mount Pleasant State SC Zip 29464

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

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 54 Block 1-C Section _____
Name of Salesperson Brigitte Woodward
Signature: _____ Date: 1/12/99

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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* Received by: Jana L Wilde Date: 1/19/99
Street Address: _____
City _____ State _____ Zip _____

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

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 77 Block _____ Section _____
Name of Salesperson: Brigham E. Woodward
Signature: _____ Date: 1/19/99

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:

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report. 1/23/99

Received by: E.F. FULLABOM III Date: 1/23/99
Street Address [redacted]
City MT. PLEASANT State SC Zip 29464

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

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 58 Block _____ Section _____
Name of Salesperson: BRIGHAM G. WOODWARD
Signature: _____ Date: 1/11/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: January 28 1999
Street Address: [redacted]
City [illegible] State Md Zip 21209

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

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 144 ~~Block~~ Section I'On
Name of Salesperson: [signature]
Signature: [signature] Date: January 28, 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Sarah W Haddock Date: 1/29/99
Street Address [redacted]
City Charleston State SC Zip 29401

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

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 37 Block _____ Section _____
Name of Salesperson: WILLIAM H. ORANGE
Signature: William H Orange Date: NOVEMBER 20 1998

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Ralph Qutr Date: 2/8/99
Street Address [redacted]
City Mt Pleas State SC Zip 29464

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

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 40 Block — Section I'On
Name of Salesperson: Peggy Skelton Castle
Signature: [signature] Date: 2/8/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: CHRIS ANDERSON Date: 2.9.99
Street Address [redacted]
City CHARLESTON State SC Zip 29401

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

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 105132 Block 1-C Section
Name of Salesperson: BRIGHAM E. WOODWARD
Signature: Date: 2-8-99

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: I'On
Date of Contract:

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

Purchaser(s) signature: Date:

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: ANNE BONK Date: 2-6-99
Street Address: [redacted]
City Mt Pleasant State SC Zip 29466-7163

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

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 81 Block _____ Section _____
Name of Salesperson: William H. Oliver
Signature: William H Oliver Date: FEB 6 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

Route to
Vince for signature
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file

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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Received by: _____ Date: 2/8/99
Street Address: _____
City _____ State _____ Zip _____

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

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 89 Block _____ Section _____
Name of Salesperson Brigham Woodward
Signature: _____ Date: 2-8-99

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:

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Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Margaret Ann Miller Date: 2/11/99
Street Addre[redacted]
City Mt Pleasant State SC Zip 29464

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

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 83 Block [illegible] Section I'On
Name of Salesperson: [illegible]
Signature: [illegible] Date: February 4, 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 2/25/99
Street Address: _____
City _____ State _____ Zip _____

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

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 _____ Block _____ Section _____
Name of Salesperson: WILLIAM H. ORANGE
Signature: William H Orange Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

ORIG.

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Sarah Ellis McKay Date: 2/25/99
Street Address: [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 30 Block — Section I'On - Phase I-A
Name of Salesperson: Peggy S. Caskie
Signature: Peggy Caskie Date: 2-25-99

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: I'On
Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Judy Livingston Ann L. Wilson Date: 3/4/99
Street Address [redacted]
City Mount Pleasant State SC Zip 29464

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

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 50 Block _____ Section _____
Name of Salesperson: Brigham E. Woodward
Signature: B. E. W. Date: 3-1-99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: John C. Wilson Date: 3.5.99
Street Addr[redacted]
City Mt Pleasant State SC Zip 29464

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

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 90 Block _____ Section _____
Name of Salesperson: Benham E. Woodward
Signature: B E. W Date: 3.5.99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 3-5-99
Street Address: _____
City _____ State _____ Zip _____

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

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 27 Block _____ Section _____
Name of Salesperson: William H ORANGE
Signature: _____ Date: MAR 5 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: J. Paige Hadden Date: 3.6.99
Street Address: _____
City _____ State _____ Zip _____

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

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 66 Block _____ Section 1-A, I'ON
Name of Salesperson: Brigham E. Woodward
Signature: [signature] Date: 2.26.99

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:

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Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: March 6 1999
Street Address: [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 88 Block — Section I'On
Name of Salesperson: Peggy S. Castle
Signature: _____ Date: March 6, 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 3.8.99
Street Address: [redacted]
City Mt Pleasant State SC Zip 29466

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

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 170 Block _____ Section _____
Name of Salesperson: WILLIAM H. ORANGE
Signature: [signature] Date: MARCH 8 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 3/15/99
Street Address: [redacted]
City Charleston State SC Zip 29401

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

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 184 Block _____ Section _____
Name of Salesperson: William H. Osborne
Signature: [signature] Date: MARCH 15 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Edward O [illegible] Date: April 8, 1999
Street Address [redacted]
City MT PLEASANT State S.C Zip 29466-6838

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

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 95 Block _____ Section _____
Name of Salesperson William H ORANGE
Signature: William H Orange Date: APR 8 1999

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:

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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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 our Property Report.

Received by: _____ Date: 4/9/99
Street Address [redacted]
City Charleston State SC Zip 29414

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

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 258 Block _____ Section Shellmore
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 4/7/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 4-12-99
Street Address [redacted]
City Greenville State SC Zip 29605

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

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 283 Block _____ Section Shellmore
Name of Salesperson: Laura M. Thornhill
Signature: Laura M. Thornhill Date: 4/7/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

Lot 176

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [illegible] Date: 4.12.99
Street Address: [redacted]
City Nyack State NY Zip 10960

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

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 176 Block _____ Section Ponsbury
Name of Salesperson: Laurie Minges Thornhill
Signature: Laurie M. Thornhill Date: April 8, 99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 4/17/99
Street Addres[redacted]
City Du[redacted]

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

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 157 Block _____ Section Ponsbury
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 4/7/99

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Regina Dickerson Date: April 19, 1999
Street Addre[redacted]
City Mt Pleasant State SC Zip 29464

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

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 136 Block 6 Section C Pkg
Name of Salesperson: [illegible]
Signature: [illegible] Date: 4/19/99

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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Received by: [signature] Date: 4/20/99
Street Address: [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 44 Block _____ Section _____
Name of Salesperson: Brigham E. Woodward
Signature: [signature] Date: 4.18.99

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Lon Shull Date: April 27, 1999
Street Address: [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 43 ~~Block~~ Section —
Name of Salesperson: Leigh Cobin
Signature: Leigh Cobin Date: 4/27/99

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:

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PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Rebecca P. Hollis Date: 5.4.99
Street Address: [redacted]
City Charleston State S.C. Zip 29401

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

PURCHASER CANCELLATION

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PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: John Moriarty Date: Mar 11, 1999
Street Address: [redacted]
City Charleston State SC Zip 29403

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

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 278 Block Section
Name of Salesperson: Peggy S. Cashin
Signature: Peggy S. Cashin Date: 5/11/99

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: I'On
Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: John Morrell Date: May 11, 1999
Street Address: [redacted]
City Charleston State SC Zip 29403

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

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 280 Block _____ Section _____
Name of Salesperson: Lisa S. Caslin
Signature: Lisa S. Caslin Date: 5/11/99

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Received by: John Moriarty Date: May 11, 1999
Street Address: [redacted]
City Charleston State SC Zip 29403

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

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 255 Block — Section —
Name of Salesperson: Jesse S. Caslin
Signature: Jesse S. Caslin Date: 5/11/99

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

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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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 our Property Report.

* Received by: Jason Clements Date: 5/11/99
Street Address: _____
City _____ State _____ Zip _____

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

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 163 Block Sowell St. Section _____
Name of Salesperson: Brigham E. Woodward
Signature: _____ Date: 5-11-99

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: I'On
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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998
CET

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 our Property Report. Kelley Christine Smith

Received by: Charles Edward Tant, Jr. Date: May 18, 1999
Street Add [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 186 Block — Section Phase II
Name of Salesperson: Peggy S. Castle
Signature: Peggy S. Castle Date: 5/18/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

File
Lot
186

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: May 19, 1999
Street Addres[redacted]
City Berkeley State CA Zip 94709

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

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 159 Block _____ Section _____
Name of Salesperson: Brayton E. Woodward
Signature: [signature] Date: 5.19.99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

Return Signed to Peggy

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Received by: _____ Date: 5-21-99
Street Addres[redacted]
City Charleston State SC Zip 29401

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

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 47 Block _____ Section I'On
Name of Salesperson: Peggy S. Caskie
Signature: _____ Date: 5/19/99

PURCHASER CANCELLATION

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

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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 our Property Report.

Received by: [illegible] Date: May 21, 1999
Street Address: [redacted]
City Covington State Ga Zip 30014

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

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 50 Block — Section —
Name of Salesperson: Peggy S. Castle
Signature: [illegible] Date: 5-21-99

PURCHASER CANCELLATION

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* Received by: Brent S Pride Date: 6/1/99
Street Addre[redacted]
City Charleston State S.C. Zip 29407

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

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 198 Block _____ Section Phase 2-A
Name of Salesperson: Brian E. Woodward
Signature: _____ Date: 5-25-99

PURCHASER CANCELLATION

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Received by: [illegible] Date: 5/1/99
Street Address: [redacted]
City Clinton Corners State NY Zip 12514

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

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 211 Block _____ Section Shelmore
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 5/29/99

PURCHASER CANCELLATION

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Received by: Melinda Armstrong Date: 6/4/99
Street Address: _____
City _____ State _____ Zip _____

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

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 411 Block _____ Section Eastlake
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 5/30/99

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:

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Received by: Sheila A. Vanek Date: 6/9/99
Street Address [redacted]
City Charleston State SC Zip 29402

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

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 16 Block Section Eastlake
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 6/9/99

PURCHASER CANCELLATION

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Received by: Pam Burton Date: June 10, 1999
Street Ad[redacted]
City Mt. Pleasant State SC Zip 29464

PB PB Initial

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

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 102 Block — Section I'On
Name of Salesperson: Peggy S. Caskie
Signature: [signature] Date: 6/10/99

PURCHASER CANCELLATION

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Initial

Received by: Frederick C. & Susan K. Van Dongen Date: June 11, 1999
Street Addr[redacted]
City Raleigh State NC Zip 27614

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

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 416 Block — Section I'On
Name of Salesperson: Peggy S. Caskie
Signature: Peggy Caskie Date: 6/11/99

PURCHASER CANCELLATION

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Received by: _____ Date: 6-17-99
Street Address: [redacted]
City CHARLESTON State SC Zip 29414

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

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 160 Block _____ Section _____
Name of Salesperson Brian E. Woodward
Signature: _____ Date: 6-17-99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [illegible] Date: 6/29/99
Street Addres[redacted]
City Mt Pleasant State S.C. Zip 29464

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

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 177 Block _____ Section _____
Name of Salesperson: WILLIAM H. ORANGE
Signature: William H Orange Date: 6/29/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 6/30/99
Street Add[redacted]
City Sullivan's Island State SC Zip 29482

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

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 76 Block _____ Section Eastlake
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 6/30/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

4

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report. Rhonda Cramer

Received by: Alex & Rhonda Cramer Date: 7-14-99
Street Addres[redacted]
City Charleston State SC Zip 29401

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

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 85 Block — Section I'On
Name of Salesperson: Peggy Castle
Signature: [signature] Date: 7/14/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Oms!

Received by: Elizabeth Lowe Date: July 28, 1999
Street Address: [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Thomas J. Calogero Thomas J. Calogero Date: #30 9/1/99 TJC
Street Address: [redacted]
City Hilton Head I State SC Zip 29926

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

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 75 Block Section Eastlake
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 7/30/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 9-06-99
Street Addre[redacted]
City Mt. Pleasant State SC Zip 29464

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

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 130 Block _____ Section _____
Name of Salesperson: William H. Orange
Signature: _____ Date: Sept 6 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Robert and Kristi W. Richardson Date: 9/11/99
Street Address: [redacted]
City Charleston State SC Zip 29414

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

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 239 Block ____ Section Shelmore
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 9/11/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____
Kristi W. Richardson

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Robert E. Paines Louise S. Paines Date: SEP. 28 1999
Street Address [redacted]
City ALEXANDRIA State VA Zip 22314

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

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 98 Block _____ Section _____
Name of Salesperson: BRIGHAM E. WOODWARD
Signature: _____ Date: 7.9.99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Sara S. Dorriah Date: 9-30-99
Street Address: [redacted]
City Mt Pleasant State SC Zip 29464

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

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 99 Block - Section I'On
Name of Salesperson: Peggy S. Caskie
Signature: Peggy S. Caskie Date: 9/29/99

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: I'On
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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Jenni Hendrick Date: 10-1-99
Street Address: [redacted]
City Charleston State SC Zip 29412

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

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 80 Block _____ Section _____
Name of Salesperson: WILLIAM H. ORANGE
Signature: William H Orange Date: 9-28-99

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: C. Ronald Conard Jr Nancy B. Conard Date: 10/3
Street Address: [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 240 Block _____ Section Shelmore
Name of Salesperson: Laurie Thornhill
Signature: Laurie M. Thornhill Date: 10/3/98

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

[redacted]

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 10/4/99
Street Address: [redacted]
City Bolton Street State VT Zip 05477

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

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

PLEASE SIGN & DATE 10/4/99

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 143 Block _____ Section _____
Name of Salesperson: William J. Orange
Signature: William J Orange Date: October 4, 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 10/5/99
Street Addres[redacted]
City Mt. Pleasant State SC Zip 29464

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

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 238 Block _____ Section Shelmore
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 10/5/99

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:

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

X
Received by: Janet Stucinski Date: 10-6-99
Street Address: [redacted]
City Oxford State NC Zip 27565

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

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 26 Block — Section I'On
Name of Salesperson: Peggy S. Castle
Signature: Peggy S. Castle Date: 10-6-99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [illegible] Date: 10/4/99
Street Address: [redacted]
City [illegible] State OH Zip 45706

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

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 109 Block [illegible] Section Bonsbury
Name of Salesperson: Louise M. Thornhill
Signature: Louise M. Thornhill Date: 10/10/99

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:

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Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Richard Schneider Date: 10-11-99
Street Address [redacted]
City Charleston State S.C Zip 29401

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

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 61 Block _____ Section _____
Name of Salesperson: William D. Orange
Signature: William D. Orange Date: _____

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:

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Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: AMANDA JUON-ROSEN Date: OCTOBER 16TH 1999
Street Address: [redacted]
City MT PLEASANT State SC Zip 29464

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

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 40 Block _____ Section _____
Name of Salesperson: WILLIAM H. ORANGE
Signature: William H Orange Date: OCT 16 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

Please return this sheet to Peggy

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Phyllis Sheffer Date: 10-22-99
Street Address: [redacted]
City Knox State IN Zip 3-7919

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

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 161 Block — Section I'On
Name of Salesperson: 10-7-99 S Caskie
Signature: [signature] Date: 10-7-99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Ronnie W. + Marilyn J Follman Date: October 23, 1999
Street Address: [redacted]
City Charleston State SC Zip 29401

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

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 45 Block — Section I'On
Name of Salesperson: Peggy S. Caskie
Signature: [signature] Date: 10-23-99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Eliot Fenimore Smith Date: 10/28/99
Street Address: [redacted]
City Pleasantville State NY Zip 10570

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

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 162 Block — Section I'On
Name of Salesperson: Peggy Sciascia
Signature: [signature] Date: 10/28/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Marshall Simon Jr Date: 10-29-99
Street Address [redacted]
City Mt Pleasant State SC Zip 29464

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

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 133 Block _____ Section _____
Name of Salesperson: William H. Orangé
Signature: William H Orangé Date: 10-29-1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 8/31/99
Street Address: [redacted]
City Chas. State S.C. Zip 29414

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

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 222 Block _____ Section _____
Name of Salesperson: William H. Orange
Signature: William H. Orange Date: 8-31-1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 8/13/99
Street Address: _____
City _____ State _____ Zip _____

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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:

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Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 30 Aug 99
Street Address: _____
City Charleston State SC Zip 29401

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

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 10a Block _____ Section Parsbury
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 8/28/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: William H. Orange Date: 8-26-1999
Street Addr [redacted]
City Mt. Pleasant State SC Zip [redacted]

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

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 85 Block _____ Section _____
Name of Salesperson: William H. Orange
Signature: William H Orange Date: 8-26-1999
DUAL AGENT

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: Aug 4 1999
Street Addre[redacted]
City Mount Pleasant State SC Zip 29464

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

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 86 Block _____ Section _____
Name of Salesperson: William H. Orange
Signature: William H. Orange Date: Aug 4 1999

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 11/7/99
Street Address: [redacted]
City Roswell, State GA Zip 30075

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

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 241 Block _____ Section Shelmore
Name of Salesperson: Laurie Thornfeldt
Signature: Laurie M. Thornfeldt Date: 11/7/99

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: I'On
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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 11/7/99
Street Addres[redacted]
City San Diego State CA Zip 92109

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

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 242 Block _____ Section Shelmore
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 11/7/99

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 11/28/99
Street Addres[redacted]
City Charleston State SC Zip 29401

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

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 158 Block _____ Section Ponshing
Name of Salesperson: Laurie Thornhill
Signature: Laurie M. Thornhill Date: 11/28/99

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: [signature] Date: 11/28/99

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 11-29-99
Street Address: [redacted]
City Augusta State Ga Zip 30909

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

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 125 Block _____ Section I'On
Name of Salesperson: Rob Caslie
Signature: Rob Caslie Date: 11-29-99

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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Received by: Mark & Vicki Maguire Date: 11/29/98
Street Address: [redacted]
City Duluth State GA Zip 30097

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

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 103 Block 1 Section Parkway
Name of Salesperson: Laurie Thornhill
Signature: Laurie M Thornhill Date: 11/29/98

PURCHASER CANCELLATION

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Dianne Sherron Date: 11-29-99
Street Address: [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 42 Block — Section —
Name of Salesperson: Tessa Cashie
Signature: Tessa Cashie Date: 11-29-99

PURCHASER CANCELLATION

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Stanley C. Hall Date: December 9-1999
Street Address: [redacted]
City Charleston State SC Zip 29403

SC H initials

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

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 166 Block [illegible] Section I'On
Name of Salesperson: [illegible]
Signature: Peggy S Askie Date: 12-9-99

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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: GRAHAM, REEVES & REEVES DEVELOPERS Date: 12-9-99
Street Address: [redacted]
City MT. PLEASANT State SC Zip 29464

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

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 225 Block _____ Section II - SHELMORE
Name of Salesperson: CHRIS ANDERSON
Signature _____ Date: 12-9-99

PURCHASER CANCELLATION

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: William A Brunton III Date: 12/22/99
Street Address: [redacted]
City Charleston, SC State SC Zip 29402

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

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 169 Block _____ Section Ponsbury
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie M. Thornhill Date: 12/22/99

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:

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Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Matt Heath Date: 1/3/00
Street Addrc [redacted]
City Charleston State SC Zip 29401

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

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 228 Block _____ Section Shelmore
Name of Salesperson: Laurie Thornhill
Signature: Laurie M. Thornhill Date: 1/3/2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: RICHARD W. RALFORD SR Date: _____

[redacted]

MT. PLEASANT, SC. 29464

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

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 135 Block _____ Section _____
Name of Salesperson: PEGGY S. OPANSKY
Signature: [signature] Date: 1-9-2000
for PSO.

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: I'On
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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Sarah Barnett Date: 1/10/2000
Street Addres[redacted]
City Charleston State SC Zip 29412

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

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 167 Block _____ Section Ponsbury
Name of Salesperson: Tammie M. Thornhill
Signature: Tammie M. Thornhill Date: 1/10/2000

PURCHASER CANCELLATION

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Regina P. Didion Date: January 11, 2000
Street Ad[redacted]
City Mt. Pleasant State SC Zip 29464

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

RD initials

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 180 Block — Section —
Name of Salesperson: Peggy S. Caskie
Signature: [signature] Date: 1-11-2000

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: I'On
Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Initials

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report Cadie Heluard

Received by: Cadie Dale Date: 1-17-2000
Street Address: [redacted]
City New Orleans State LA Zip 70118

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

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 236 Block 9 Section I'On
Name of Salesperson: Cadie
Signature: Cadie Date: 1-17-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

initials

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 1-28-2000
Street Address: [redacted]
City [illegible] State [illegible] Zip 35213

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

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 285 Block - Section I'On
Name of Salesperson: Peggy S Caskie
Signature: [signature] Date: 1-28-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Buyer initials

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 1-25-2000
Street Address [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 223 ~~Block~~ — Section I'On
Name of ~~Salesperson~~: Peggy S. Caskie
Signature: [signature] Date: 1-25-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: William A. Mark Collins Date: 1-29-2000
Street Address: [redacted]
City Daniel Island State SC Zip 29585

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

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 244 Block _____ Section I'On
Name of Salesperson: Peggy S Caskie
Signature: _____ Date: 1-29-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 11Feb 00
Street Address: [redacted]
City Hanahan State SC Zip 29406

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

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 266 Block _____ Section _____
Name of Salesperson: William H. Grant
Signature: _____ Date: 2-11-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: LAWRENCE E. TAYLOR Date: 2/17/00
Street Address: [redacted]
City Waverly State Oh Zip 45690

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

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 86 Block _____ Section _____
Name of Salesperson: William H. Orange
Signature: William H Orange Date: 2-17-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: February 20, 2000
Street Address: [redacted]
City Charlotte State NC Zip 28203

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

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 286 Block _____ Section _____
Name of Salesperson: William H. Orange
Signature: William H Orange Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: E Shore Date: 2/23/2000
Street Address:
City Mt. Pleasant State SC Zip 29464

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 2/27/00
Street Address: _____
City _____ State _____ Zip _____

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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:

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Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Robert K. Wilmoth Jr. Date: 2-29-2000
Street Addres [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 226 Block — Section I'On
Name of Salesperson: Lisa S. Caski
Signature: Lisa S. Caski Date: 2-29-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Angela N Clarke Date: 2/29/2000
Street Address [redacted]
City Mt Pleasant State SC Zip 29466

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: LAWRENCE E. TAYLOR Date: 2/9/00
Street Address: [redacted]
City Waverly State Oh Zip 45690

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

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 86268 Block Section
Name of Salesperson: William D. Orange
Signature: William D Orange Date: 2-29-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Eric Krawczuk Date: 3/2/00
Street Address [redacted]
City Mt Pleasant State S.C. Zip 29464

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

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 261 Block _____ Section _____
Name of Salesperson: William H. Orange
Signature: William H Orange Date: 3-2-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [redacted] 5/1/00
Street Addre[redacted]
City Mt. Pleasant State SC Zip 29464

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

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 _____ Block _____ Section _____
Name of Salesperson: _____
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

TCM 3/6/00 Initials

PURCHASER RECEIPT

Important – Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Thomas Manous Date: 3-6-2000
Street Address [redacted]
City Charleston State SC Zip 29407

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

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 265 Block — Section I'On
Name of Salesperson: Peggy S. Caskie
Signature: [signature] Date: 3-6-2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: [redacted] Date: _____

TCM 3/6/00

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: _____ Date: 2-6-98
Street Address: [redacted]
City Mt. Pleasant State SC Zip 29464

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

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 274 Block _____ Section _____
Name of Salesperson: Laurie Thornhill
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Melissa Helms Date: March 8 2000
Street A[redacted]
City Mt. Pleasant State SC Zip 29464

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

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 254 Block — Section I'On
Name of Salesperson: Peggy S. Caskie
Signature: [signature] Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [illegible] Date: March 17 2000
Street Address [redacted]
City [illegible] State SC Zip 29464

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

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 266 Block — Section I'On
Name of Salesperson: Peggy S Maske
Signature: [illegible] Date: 3-17-2000

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:

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Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: MORTON NEEDLE Date: 3/18/2000
Street Address: _____
City _____ State _____ Zip _____

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

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 256 Block _____ Section _____
Name of Salesperson: WILLIAM H. ORANGE
Signature: William H Orange Date: _____

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: I'On
Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [redacted] Date: April 8 2000
Street Address: [redacted]
City Melrose State NH Zip 03104

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

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 191 | 192 Block — Section I'On
Name of Salesperson: [redacted]
Signature: [redacted] Date: 4/8/2000

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: I'On
Date of Contract: _____

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Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Samuel Rawlin Date: 4/12/2000
Street Address: [redacted]
City Charleston State SC Zip 29403

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

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 249 Block — Section I'On
Name of Salesperson: Peggy Caskie
Signature: [signature] Date: 4/12/2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [signature] Date: 4/14/00
Street Address: [redacted]
City Charlotte State NC Zip 28207

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

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 259 Block Section
Name of Salesperson: Laurie Thornhill
Signature: Laurie M Thornhill Date: 4/14/00

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

POF AK initial

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Elizabeth T. Tate Date: April 17, 2000
Street Address: [redacted]
City Charleston State SC Zip 29401

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

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 250 Block — Section I'On
Name of Salesperson: Peggy S. Castle
Signature: [signature] Date: April 17, 2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: [signature] Date: _____

incorrect Signature
POF AK initials

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: Ronnie E. Schwarz Date: April 17, 2000
Street Addres[redacted]
City Spartanburg State SC Zip 29302

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

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 260 Block _____ Section _____
Name of Salesperson: Laurie Thornhill
Signature: _____ Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: David D. Morris Date: May 6/00
Street Address: [redacted]
City Isle of Palms State SC Zip 29451

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

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 251 Block _____ Section _____
Name of Salesperson: William H. Orangs
Signature: William H Orangs Date: _____

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

[redacted]

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

Important -- Read Carefully

Name of Subdivision: I'ON SUBDIVISION
OILSR Number: 0-07555-46 Date of Report: November 3, 1998

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 our Property Report.

Received by: [redacted] April Champion Date: 5/8/2000
Street Address: [redacted]
City Charlotte State SC Zip 28211

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

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 270 Block Phase II Section Shelmore
Name of Salesperson: Laura M. Thornhill
Signature Laura M. Thornhill Date: 5/8/2000

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: I'On
Date of Contract: _____

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

Purchaser(s) signature: _____ Date: _____

[redacted]

To: Chad/ Ion Realty
From: Mike Russo
Re: Creek Club Sale
Date; 3/2/09

Dear Chad,

Thanks for meeting with me today and discussing the outcome of the BOZA hearing and the after comments made by the group opposing the zoning use of the Creek Club.

As you know it appears that Catherine Templeton has decided to form a LLC with other Ion residents and file an appeal with circuit court. They have also stated that they are in possession of documents that prove the HOA has ownership of the docks and land adjacent to them and have asked the HOA to move towards action to secure that ownership.

We are steadfast in going forward with the sale but feel these issues and any other zoning or ownership issues must be resolved prior to any possible closing.

Under these circumstances we are asking for an extension of the date that our earnest money(deposit) becomes nonrefundable. We are still commited to the same time schedule with the only change being that our deposits need to be refundable pending the resolution of the above concerns,

However should these concerns not be resolved then we would not be able to move forward with any type of sale.

We understand that Catherine Templeton made statements at the last HOA meeting suggesting that if her actions could impede or prevent the sale that the Grahams would be forced to give the property to them or sell it a severely discounted price. It seems she has decided to move down that path. I say this because even after we have agreed to a new easement structure with the HOA it continues even after she told us if we reached agreement with the HOA she would not proceed.

If you cannot grant this extension then we have no choice but to rescind our offer effective today 3/2/09 and ask for our deposit to be refunded.

We all have worked very hard on this deal and I hope we can work out everything and continue moving forward.

Thanks

Mike Russo

Date 3-2-09

Received by

PLAINTIFF'S EXHIBIT 154

Steve Speer www.Ioncommunity.com Message Board posting message posted Wednesday, March 04, 2009 5:25:54 PM

My one and only message board post regarding this issue:

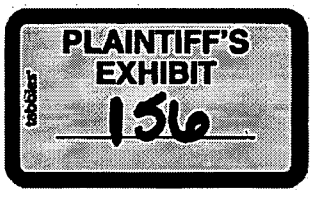
Mike Russo laid it all out from the very beginning at the Sept. 24, 2008 I'On HOA Board of Trustees open meeting on our plans for this property, basically 'hiding in plain sight' with regards to our intents for its operation. What now passes as the final HOA agreement as a condition for the property purchase was essentially offered as our original plan without any help, coercion nor input from the HOA or any other neighborhood party or entity. As evidence, check out the following excerpt from the minutes of the September 24, 2008 meeting of the I'On HOA Board of Trustees:

"Submitted by, AMCS.

Creek Club

Mike Russo presented the Board of Trustees with the proposed plan for the Creek Club. The three partners that are looking to purchase the Creek Club are Donovan Glassburn of [redacted], Stephen Speer of 7[redacted], and Mike Russo of [redacted]. Mr. Russo advised that since each partner owns property in I'On they have an invested interest in the community. The key points to Mr. Russo's presentation were:

- The usage of the Creek Club for special events, like weddings, will not increase. (Actually Mike said they would not appreciably increase in frequency)
- The boat dock easements will not be dissolved however, any I'On Assembly suggested modifications would be considered. (Note that from the very start we have consistently agreed to work with the neighborhood towards a perpetual easement for these docks)
- Donovan Glassburn, Stephen Speer, and Mike Russo own the bed and breakfast at the corner of Civitas Street and North Shelmore Boulevard and will run the Creek Club in conjunction with the bed and breakfast.
- The sale of the Creek Club includes the building, the docks and parking lot on lot CV-6 and the parking lot on lot CV-5.
- Valet parking will be required to reserve the Creek Club, which will help alleviate traffic and disturbance to the community, by event guests. Valet parking will also be used at the bed and breakfast.
- Outside security will be required at special events.
- The Creek Club would be kept in better shape to attract higher end special events.
- Lot 275 is currently under a separate contract for sale from the I'On Company. The plans for this lot would be to expand the Creek Club by adding a three-story building which would have six rooms for the bed and breakfast (three suites on the third and three suites on the second floor) and recreation areas for the community with gathering space and permanent office space on the first floor.



• They would not apply for a liquor license. (Current temporary event licenses will continue to be used)

• The I'On Assembly would still have the right to reserve the Creek Club as they do now.

Mr. Russo's group is still in an extended due diligence period. Once a more definitive plan is in place, details will be presented to the Board of Trustees.'

What has transpired since Mike's original presentation has been nothing short of 'interesting neighborhood dynamics' with not a small amount of jaw-dropping comment, suggestions, interpretations and innuendo. Hopefully this phase is now past us and it is our hope that if indeed the sale is concluded for this property, that we will be given the chance to perform and let our actions speak for themselves. We hope we've given the neighborhood a good idea of our goals and intentions with the quality of our execution at the newly opened Jacob's Kitchen/Inn at I'On establishment. If you've not tried it, we're hoping you'll give it a shot to see if it passes muster with you. We're going to give the Creek Club our best effort by melding it into our current operation and running it to the best of our abilities, hopefully making it a more neighborly and beneficial amenity for the entire community while at the same time generating the necessary income needed to pay for, maintain and improve the entire facility through time. Thanks to all of you for any support you can give us to accomplish this goal and we hope that we don't disappoint you.

In closing, we would like everyone to realize that the current agreement is almost verbatim to what we initially proposed, that our intentions have never waivered from the start, and that we intend to make this project work for the benefit of the entire neighborhood.

Sincerely,

Steve Speer

December 7, 1999

Mr. Brad L. Walbeck
[redacted]

RE: Lot 224, [redacted]

Dear Brad:

Enclosed herewith please find a copy of the ratified contract on the above referenced property.

Should you have any questions, please do not hesitate to contact our office.

Best wishes,

Nichole M. Turner
Sales Assistant

/nt
enclosures

CC: Bill Orange

I'ON REALTY · P.O. Box 986 · Mount Pleasant, SC 29465
(T) 843-884-3080 (F) 843-884-4499 (I) http://www.ionrealty.com

PLAINTIFF'S EXHIBIT 167

January 10, 2000

Brad Walbeck
[redacted]

Dear Brad:

Bill Orange recently presented me with your contract for Lot 224 for my signature. My wife and I made a similar commitment recently when we bought our house in I'On. Your decision to purchase a home site in I'On demonstrates your desire to create an endearing and enduring place.

As you get more involved in the design process moving toward a closing date, I encourage you to rely on the expertise and guidance of Bill, as well and Macky Hill and the rest of our team. They have assisted many people with the process and can be of valuable assistance to you.

Thank you for joining us in this endeavor. I look forward to seeing you break ground on a wonderful new home. Please feel free to call me at the number below if you think I might be of assistance.

Sincerely,

Joseph E. Barnes
General Manager

cc: Bill Orange

The I'On Company · P.O. Box 986 Mt. Pleasant, SC 29465
(T) 843-971-4662 (F) 843-971-1664 (I) http://www.ionvillage.com

July 25, 2000

Brad Walbeck
[redacted]

Dear Brad:

In an effort to continually improve our development practices and maintain quality standards for the neighborhood, our Guild members, and the real estate sales office in I'On, we recently contracted with a local research and consulting firm, Tactical Data, to conduct a series of interviews and studies with our residents and builders.

You may have already participated in our initial surveys about your experiences with our builders and I'On Realty, and I am most grateful for your participation in these surveys. This first round of surveys and independent analysis provided some helpful information to improve our processes as well as our builders' business practices.

These independently-conducted surveys will be an on-going process. In fact, all residents will be contacted at least three times during their first 24 months after their lot or home purchase. These associates will be asking questions to find out how we can all do a better job meeting the needs of our neighbors and the community in general.

We look forward to reviewing and utilizing your comments to help make I'On a better neighborhood. I appreciate your cooperation and feedback. Please call me if you have any questions or comments about the survey.

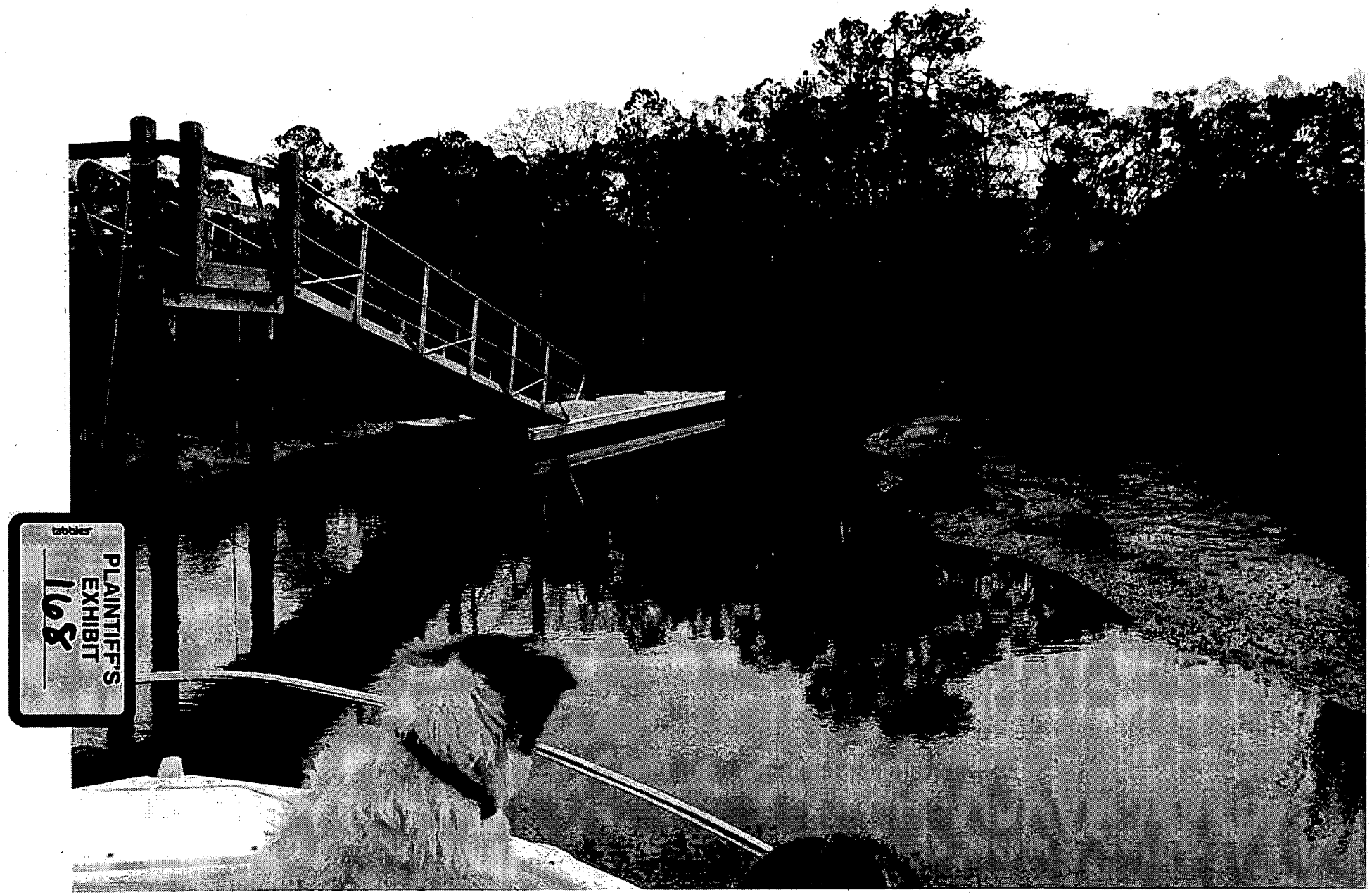
Best regards,

CBA

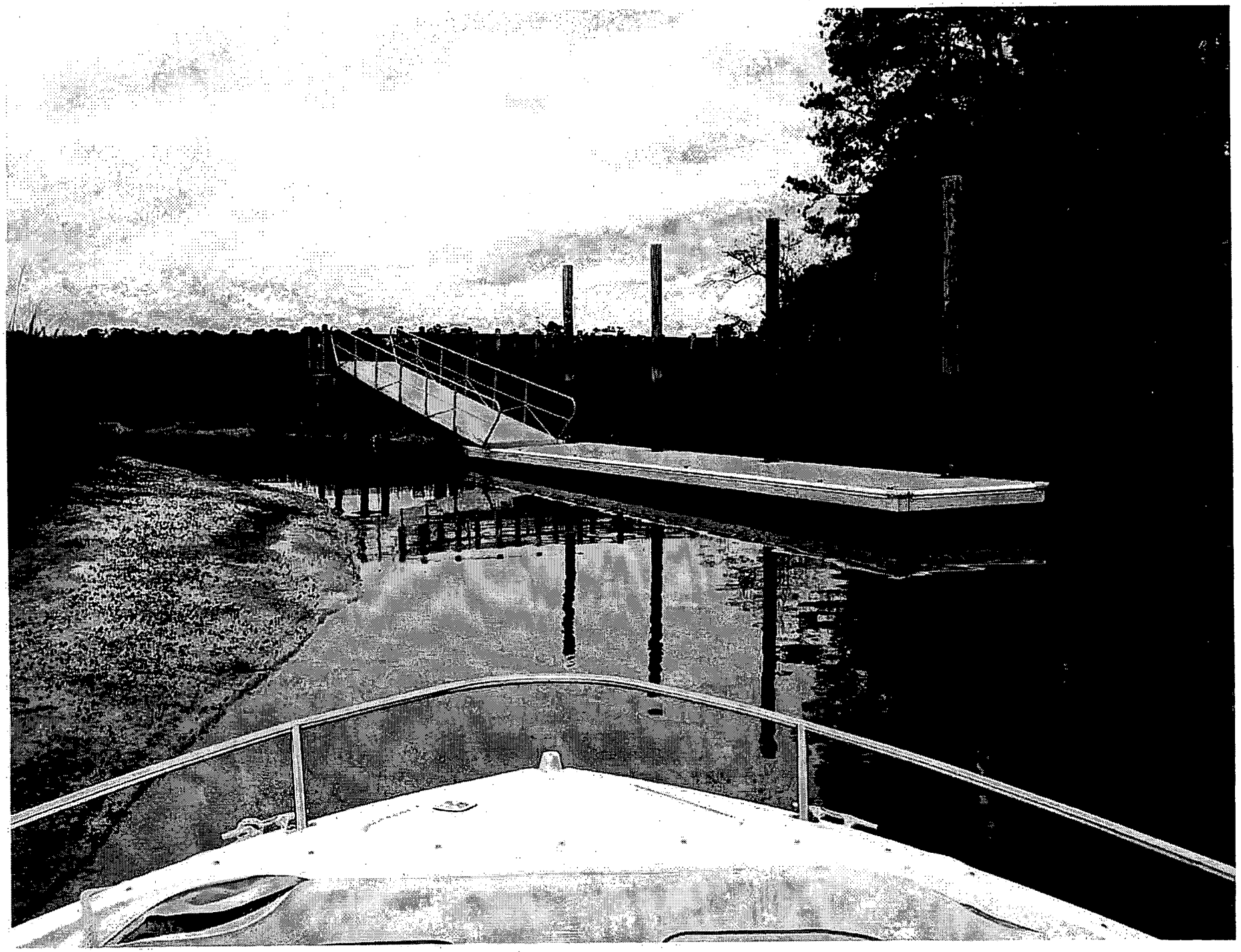
Chris B. Anderson
I'On Sales and Marketing Director

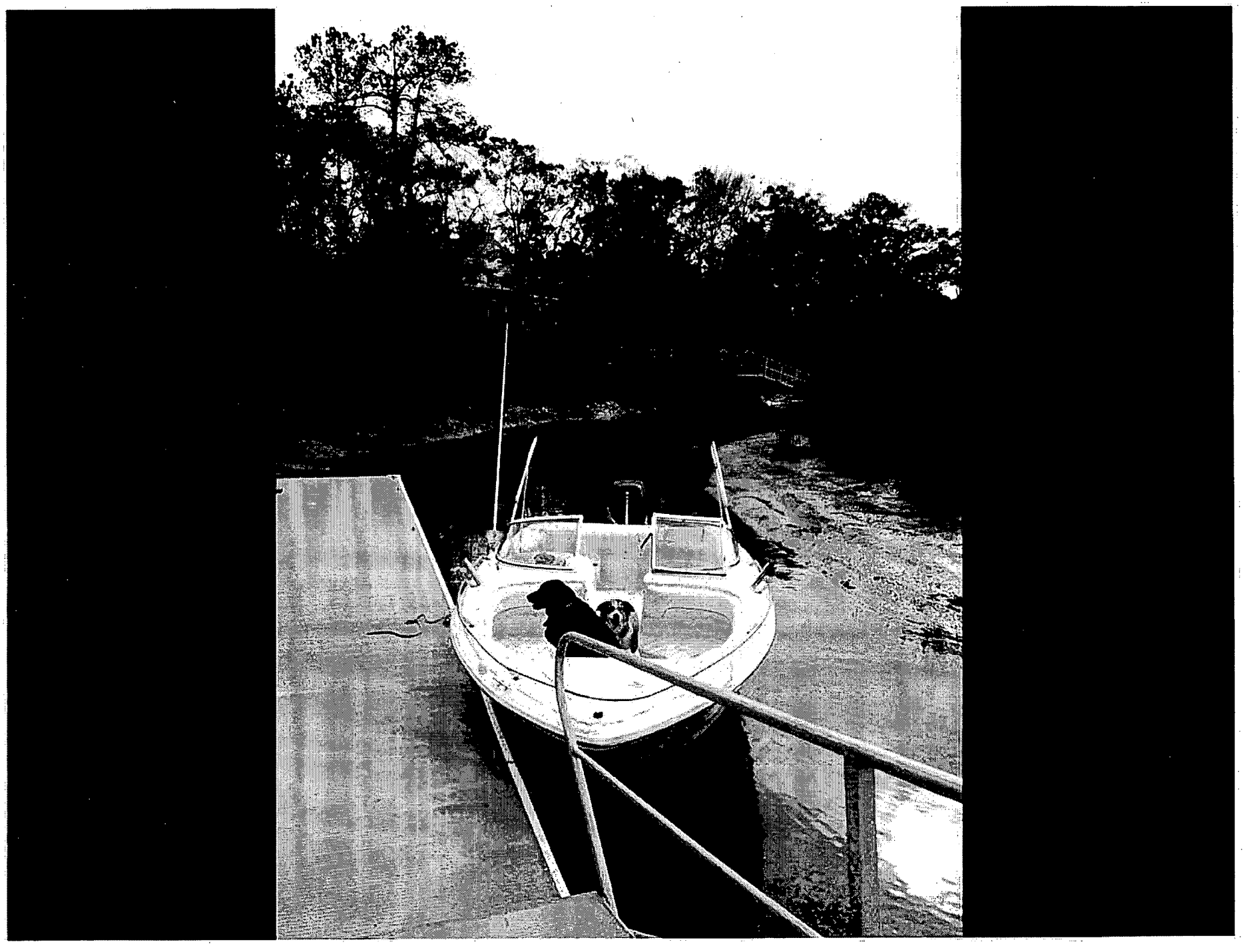
cc: The I'On Guild

I'On Realty
159 Civitas Street Mt. Pleasant, South Carolina 29464
843.884.3080 / fax: 843.884.4499
www.ionvillage.com


tabbies
PLAINTIFF'S
EXHIBIT
181







Brook Trevino

From: Chad Besenfelder
Sent: Wednesday, November 15, 2006 3:15 PM
To: Mac Martin
Subject: FW: I'On Common Areas
Attachments: I'On Common Areas November 15, 2006.xls

FYI

I hope to get a response.

From: Chad Besenfelder
Sent: Wednesday, November 15, 2006 12:43 PM
To: Vince Graham; T Graham
Cc: Andy Beck; 'lindsay@iongroup.com'
Subject: I'On Common Areas

Vince and Tom,

The following list common areas the I'On Company still owns. Would you please look over and send me your comments.

Amphitheater: This parcel appraised for $200k and we will need to pay taxes beginning next year unless we deed to HOA. Would you like me to begin the handover process including use easements?

Lafayette Canal: The area will need landscape enhancements early next year. Would you agree to handover after IDB homes sell and landscape improved?

Jefferson Canal: Obviously, we would like to keep control of this parcel until our building project is complete. There is a small access path deeded to the HOA along the east side of Lot 5-1. This may need turnover back to the I'On Company in order to design the Jefferson Canal Project.

Creek Club Boat Ramp and Dock: Both the club and the HOA do not want responsibility for this area. Currently the club pays taxes, insurance, and maintenance. The HOA pays the club about $4000 per year to help pay expenses. I think the area should stay in control of the club so not to interfere with events. I have a copy of the use easement created in 1999. The three crab docks already deeded to the HOA.

I'On Club Marsh: This is the marsh located behind the club near Prescient Street's access lane. We do plan to extend the tennis courts, which will butt up next to this area. Is there any reason to keep this property?

Phase 7: This includes the marsh walk, access path along Lot 7-7, Georgetown and Memorial Parks (all same TMS#). Pam Gabriel is working on the historic preservation project. I suggest we keep Phase 7 until we are finished with the parks.

Phase 9: Working on cul-de-sac park now and will be finished soon. We will schedule a walk through with the HOA early next year. They have mentioned that the nature path will need improvements due to the steep grades. Macky mentioned retaining walls add landscape improvement to buffer areas. I suggest waiting until all enhancements are completed.

Phase 10: I suggest we keep this area only until park is completed. Construction begins in January.

Phase 11: Obviously keep property. I have graded the area and ready to plant grass seed. HOA requests area mowed and we provide access for residents until future development plans implemented. What are your thoughts?

Thanks for helping me with these remaining areas. The HOA has continued to work well with us and our relationship is great. I would like to update them during our meeting next Tuesday.

Chad



Chad Besenfelder

The POn Company
159 Civitas Street
Mount Pleasant, SC 29464
843-284-2129

15-Nov-06
I'On Company LLC property yet to be handed over to the HOA

TMS#	Phase	Parcel Information and Special Notes
5350600699	5	Amphitheater; entire north bank of West Lake
5350600149	1	Lafayette Canal; west of the Rialto Road
5350600146	1	Lafayette Canal; east of the Rialto Road
5350600185	1	Jefferson Canal
5350600230	2	I'On Creek Club dock and boat ramp; requires plat changes and easements
5350600827	7	Phase 7 common areas and Georgetown Park
5350600652	9	Entire Phase 9 common areas and parks
5350600828	7	Lot CV-9; Parcel surrounding the cemetery (actual cemetery deeded to Reed family)
5350600829	1	Marsh area behind I'On Club, deeded to Geoffery Graham/ETAL

Brook Trevino

From: Chad Besenfelder
Sent: Wednesday, April 18, 2007 7:05 PM
To: Vince Graham; Mark Lipsmeyer; Kimber McFadden
Cc: T Graham
Subject: Creek Club Options
Attachments: Community Facility Options.doc

Okay, we have three options for the HOA community center, attached. 1) Sell them more Creek Club rentals, 2) sell them a parcel on the overflow parking lot and they build a small building, or 3) sell them the Creek Club which they may not afford.

An additional option is selling the HOA the Creek Club for a reduced rate but not including the overflow parking lot. We take the parking lot and divide into 5 lot or 6 lots. These are my thoughts:

Pros:

- The Creek Club will remain a civic building that community wants and can use forever. PD amendment approval?
- HOA could agree to limit the clubs use to I'On events/residents only, reducing the parking requirements.
- The HOA will have operating costs only and would not rely on outside sales (large weddings) to absorb costs.
- Maintenance costs would be lower for the HOA, no large events each weekend.
- The HOA gets the infamous boat ramp and docks
- Split the overflow parking into 5 larger lots consistent with Saturday Road, there is room for an access lane and the Oak Trees are awesome.
- Residents on Saturday Road would have a parade celebrating less drunks and traffic congestion. Could be a seller for those who think proposed Phase 11 will produce too much traffic.
- We get out of the rental business. Hooray!

Cons:

- Not sure about rezoning, although I think the town would prefer homes rather than a non-tax producing ugly parking lot.
- How much can we sell the lots for, I am guessing $245K each? $1.225 million? Is this enough to offset the reduced sale amount of the club at, let's say $560K. Ouch, I knew that hurt you Vince, but it may work in our advantage.
- We will incur some infrastructure costs, alley lane and utility services. Maybe $40 to $50K
- We may not have enough lot permits left. Possible solution: Keep CV-10 civic, possible park for school or more parking. Convert CM-9 to three residential lots as planned, convert CM-12 to residential as planned, convert CV-8 into two residential lots, convert CV-5 into 5 residential lots with a small passive park under the oaks, keep Jefferson canals as-is. This will bring us up to 762 total residential units.
- Concerned about taking parking away from Creek Club, but we are a pedestrian friendly community. So do as God intended, drive golf carts. We may have room to add spaces to the existing parking area next to the club.
- We would reduced exposure if we limit outside weddings. Perhaps the HOA could host weddings to I'On residents/friends at a limited capacity. Do we need this additional exposure when we make the deal?

Just a thought. What do you think?

Mark and Kimber, I would like to keep the idea of selling the club quiet for now. Thanks.

Chad Besenfelder

The I'On Company
159 Civitas Street
Mount Pleasant, SC 29464



843-284-2129

Brook Trevino

From: Chad Besenfelder
Sent: Friday, July 06, 2007 11:17 AM
To: T Graham; Vince Graham contact; Geoff Graham - away
Subject: RE: Alternate to Sale of Creek Club to Assembly

This was a suggestion based on the assumption that a private dock added a significant value to the Creek Club as a residential home site and the PD Amendment did not pass. I was simply brainstorming of other exit strategies.

I still believe our current proposal is best and the idea of preserving the Creek Club as a community center should be our main objective. However, how do we financially gain from this transaction? Is the overflow parking lot trade off logical and most likely to pass with TOMP? I say yes.

The idea of selling the Creek Club as a rental/catering facility may be another option but I have questions. Being a civic lot, what are the limitations? Could CM-9 or CM-12 zoning convert Creek Club to commercial? Would this venture generate enough revenue to ensure long-term success? How can we be sure the new owners would maintain the property? How would the resident on Saturday Road feel. Far too many 'what-ifs'.

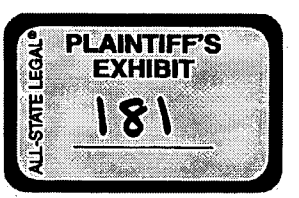
Personally, I feel the PD Amendment will pass but will continue to explore more options.

From: Tom Graham [mailto:ThomasC.Graham@comcast.net]
Sent: Friday, July 06, 2007 10:13 AM
To: Chad Besenfelder; Vince Graham contact; Geoff Graham - away
Subject: Alternate to Sale of Creek Club to Assembly

What about Chad's alternate Assembly meeting house deal? (Sell Assembly a $650K meeting house on CV-10 instead of the Creek Club and convert/sell the Creek Club for personal residence.)

1. Would Assembly Board/residents be receptive to that alternate as part of PD Amendment proposal?
2. Is Creek Club "down zoning" to residential use a practical possibility?
3. What is the Creek Club worth for residence (in light of required adaptive reuse?)

From: Chad Besenfelder <chad@iongroup.com>
Date: Tue, 3 Jul 2007 09:01:12 -0400
To: Vince Graham contact <vince@grahamholdings.com>, T Graham <thomasc.graham@comcast.net>, Geoff Graham - away <geoff@guildquality.com>
Conversation: Dock ownership and encumbrances
Subject: RE: Dock ownership and encumbrances



I suggest no changes at this time. The docks are too controversial and taking away even part of this community amenity would cause trouble.

Tom, the article you sent regarding significant value of docks may work in our advantage when negotiating with the HOA. Would it be wise to have the club appraised as residential with a private deep-water dock keeping the ramp and parking area HOA?

I feel the plan to sell the (did you mean Creek Club?) club to the HOA and in return, convert the parking area to lots is our

best option. It is beneficial for the community and we all walk away feeling better. If the PD Amendment does not pass, then subdividing the lot into both a civic boat ramp and a private residence may work and we still own the overflow parking area. If you are looking for the most return, then this may be a good option.

Let's review this idea. Give the HOA the ramp and small parking area (free), convert the Creek Club into a home with deep-water dock and sell ($2.5 million), subdivide the overflow parking lot into five lots ($1.2 million). Now you have a total amount of $3.7 million. We could reconfigure the boat docks so that the community ramp has more dock space and reduce the future private dock ($50k). Build a meetinghouse on a less valuable Civic Lot i.e. CV-10 ($650k), $3 million left for the Grahams. Everyone walks away happy, maybe?

We may be able to do all of this without a PD Amendment, just downgrading a civic lot to residential.

A far-fetched and controversial idea, but it may work. The only ill feeling I have is our beautiful Creek Club is lost.

From: Vince Graham [mailto:vince@grahamholdings.com]
Sent: Tuesday, July 03, 2007 7:15 AM
To: T Graham; Chad Besenfelder
Cc: Geoff Graham - away
Subject: RE: Dock ownership and encumbrances

I don't know. What do you suggest?

From: Tom Graham [mailto:ThomasC.Graham@comcast.net]
Sent: Monday, July 02, 2007 9:00 PM
To: Vince Graham; Chad Besenfelder
Cc: Geoff at GuildQuality
Subject: Re: Dock ownership and encumbrances

Let's not even think about expansion of the dock size in light of permitting issues. Surely we'd lose that battle and inflame great numbers of neighbors. Other points in my memo stand. How can we best capitalize this asset?

From: Vince Graham <vince@grahamholdings.com>
Date: Mon, 2 Jul 2007 18:43:00 -0400
To: Tom Graham <ThomasC.Graham@comcast.net>, Chad Besenfelder <chad@iongroup.com>
Cc: Geoff at GuildQuality <geoff@guildquality.com>
Conversation: Dock ownership and encumbrances
Subject: RE: Dock ownership and encumbrances

Expanding float to the southeast? You mean northwest? I've always wanted to get I'On the same 200' of floating dock as we had at Newpoint. Unfortunately, OCRM now defines anything over 100' of floating dock as a marina, which would involve a change to our dock master plan, and lots of extra permitting. Every homeowner with a dock on Hobcaw Creek would be noticed.

You may recall that we contemplated going for this marina permit (and even a boat storage barn) in the early days, but ruled it out because we felt it would be too controversial in light of other permitting hurdles. Are we confronted with the same decision?

From: Tom Graham [mailto:ThomasC.Graham@comcast.net] <mailto:ThomasC.Graham@comcast.net%5d>
Sent: Monday, July 02, 2007 6:34 PM
To: Chad Besenfelder
Cc: Vince Graham; Geoff at GuildQuality
Subject: Re: Dock ownership and encumbrances

Our Creek Club dock is potentially a valuable asset. Open access erodes its marketable value. I can imagine expanding the float to the southeast, selling 3-4 slips (in condominium form) and reserving one-slip for Club or resident use. How can we capitalize this potential value?

From: Chad Besenfelder <chad@iongroup.com>
Date: Mon, 2 Jul 2007 12:48:47 -0400
To: T Graham <thomasc.graham@comcast.net>
Cc: Vince Graham contact <vince@grahamholdings.com>, Geoff Graham - away <geoff@guildquality.com>
Conversation: Dock ownership and encumbrances
Subject: RE: Dock ownership and encumbrances

I attached a use agreement between the I'On Club and the I'On Assembly. Below is a list of the most significant covenants.

1) Club grants I'On property owners and guests a perpetual, nonexclusive easement over and on: driveways and parking within Club Property for vehicular and pedestrian access to the Boating Facilities and temporary parking of vehicles and boat trailers for periods not to exceed 12 hours in any 24-hour period (homeowners later requested no trailer parking on Club Property).
2) The boat dock used for the temporary docking of boats for periods not to exceed 8 hours in any 24 hour period, and for the use and enjoyment of dock by pedestrians, for fishing, and for other purposes as Club Owner may permit.
3) Club Owner to suspend the right of any person to use the Boating Facility for any infraction of rules. Clubs right to charge the Assembly for any damage to Club Property resulting in misconduct.
4) Club may temporarily close boating facility for events or assembly non-payment
5) Club has the right to offer boat rentals, tackle, sell bait, or offer similar services.
6) Club has the right to add fences, gates, lock systems to limit access of unauthorized users.
7) Assembly to share costs in maintaining, replacing, operating, and insuring
8) Club owner is the owner of real property of the boat ramp and dock and driveway and parking area to serve them, for the use and enjoyment for those persons who apply, are approved, and pay the required fees for membership in a club establishment by the Club Owner known as the I'On Club and such persons as Club Owner may authorize.
9) Club has the right to adopt and amend reasonable rules and regulations pertaining to the Boat Facility use, including, fees, parking, operating hours and any such rules shall apply uniformly to Club Members and other authorized users.

The attached doc also lists rights the Club has regarding common areas.

Just some thoughts and facts:

1) The Club prohibits trailer parking to limit congestion and prevent trouble other public docks experience. The HOA agrees and the club enforces this rule well.
2) We need to enforce boat-docking rules. We explored towing (Sea-Tow) but is expensive and requires prepayment. Wheel locks may be affective. We do allow fishing.
3) We have yet to ban someone from the docks and the Assembly has not paid any additional funds (other than the $4000 per year) for maintenance or repairs. $4000 is about 20% of the total costs to operate the docks including insurance.
4) We have never closed the docks other than resurfacing the drive lane.
5) We have never sold any bait, rented kayaks or boats, etc..

6) We change the lock yearly and pay for maintenance.
7) See comment 3. Parking, congestion, vandalism and trash pickup are our largest headache; insurance is over $11k a year.
8) Does this imply that the docks used by I'On Club Members Only? We currently allow Olde Park and I'On residents access to docks. Non-resident club members are not allowed. There is a $25 per year fee to cover costs of keys, locks, and administration.
9) I do not recall any amendment other than not allowing trailer parking.

Chad

From: Tom Graham [mailto:ThomasC.Graham@comcast.net] <mailto:ThomasC.Graham@comcast.net%5d> <mailto:ThomasC.Graham@comcast.net%5d>
Sent: Monday, July 02, 2007 10:27 AM
To: Chad Besenfelder
Cc: Vince Graham; Geoff Graham - away
Subject: Re: Dock ownership and encumbrances

How so? What are current encumbrances and/or express or implied rights which TIC has granted to the public or others?

From: Chad Besenfelder <chad@iongroup.com>
Date: Mon, 2 Jul 2007 08:23:51 -0400
To: T Graham <thomasc.graham@comcast.net>
Conversation: Dock ownership and encumbrances
Subject: RE: Dock ownership and encumbrances

No, we have not. I was planning to hold on to both until we sold the Creek Club. I suggest we create a use easement that protect the docks public use.

From: Tom Graham [mailto:ThomasC.Graham@comcast.net] <mailto:ThomasC.Graham@comcast.net%5d> <mailto:ThomasC.Graham@comcast.net%5d> <mailto:ThomasC.Graham@comcast.net%5d>
Sent: Thursday, June 28, 2007 4:25 PM
To: Vince Graham; Chad Besenfelder
Cc: Geoff Graham - away
Subject: FW: Dock ownership and encumbrances

Conveyance of Creek Club to Assembly should include the boat ramp but EXCLUDE the dock which we should keep. We've not offered that dock and gazebo, have we?
------ Forwarded Message
From: Tom Graham <ThomasC.Graham@comcast.net>
Date: Wed, 27 Jun 2007 17:24:26 -0400

To: Chad Besenfelder <chad@iongroup.com>, Vince Graham <vince@iongroup.com>
Conversation: Dock ownership and encumbrances
Subject: Dock ownership and encumbrances

The question this evening about non-residents cutting bait and cleaning fish off the docks raises significant questions.

What rights does Assembly have over the docks & boat ramp?
What rights are granted to Olde Towne residents for use of those facilities (in the deal made with the I'On Club years ago)?

The deep water boat dock at the Creek Club has significant potential value, depending upon what those residual rights actually are. It will be good to know.

Boat ramp seems like an expensive pain. Any way we could close the boat ramp?

------ End of Forwarded Message

Brook Trevino

From: Tom Graham <ThomasC.Graham@comcast.net>
Sent: Sunday, December 07, 2008 9:44 AM
To: Vince Graham; Chad Besenfelder; Geoff Graham - away
Subject: FW: Creek Club
Attachments: Amended_Recreational_Easement1 (2).doc

Bruce Kinney met with me to discuss mutual concerns of Assembly Board and Club. Bruce's take on the pending Creek Club sale dominated the discussion. He pitched that the attached revised easement reflects what Mike Russo proposed verbally. Mike has told me, that the HOA is reaching and greatly expanding what Mike has proposed.

I've cursorily reviewed the attached and have many concerns with many terms. I suspect that the proposed amendment would be a deal killer from prospective lender/investors if not dramatically slimmed down. Mike told me that he didn't want to look at it for next 30-45 days until his restaurant/inn are opened and shaken down.

Best & most efficient way to deal with this. I'd like to enable this prospective sale to take place in a timely manner but am very wary of the attached amendment and would like an efficient way to reach an acceptable deal for all parties.

--

Tom Graham

[redacted]

------ Forwarded Message
From: Bruce Kinney <bkinney94@gmail.com>
Date: Fri, 5 Dec 2008 16:08:52 -0500
To: Tom Graham <ThomasC.Graham@comcast.net>
Subject: Creek Club



I think the first file I sent to you wasn't in Word. This one should be easier to read.

------ End of Forwarded Message

FIRST AMENDMENT TO RECREATIONAL EASEMENT AND AGREEMENT TO SHARE COSTS

THIS FIRST AMENDMENT TO RECREATIONAL EASEMENT AND AGREEMENT TO SHARE COSTS ("Agreement") is made this _____ day of _____, 200__, by and between _____ ("Club Owner") and I'ON ASSEMBLY, INC., a South Carolina nonprofit corporation ("Assembly").

BACKGROUND STATEMENT

WHEREAS, I'On is a planned community in Charleston County South Carolina (the "I'On Community"); and

WHEREAS, the Assembly is the entity charged with administering that Declaration of Covenants, Conditions, and Restrictions for I'On recorded in Deed Book 297, Page 282 of the Registry of Mense Conveyances for Charleston County, South Carolina, as such Declaration may be amended or supplemented from time to time ("Declaration"), and maintaining and operating certain property described therein as "Commons"; and

WHEREAS, Club Owner is the owner of real property described in Exhibit A to this Agreement (the "Club Property") on which certain recreational facilities,

I. Definitions

A. The "I'On Creek Club" shall consist of the following property ("Club Property" more fully described in Exhibit A):

i. "Creek Club Building" – the I'On Creek Club Building is a 5000 square foot structure located in the I'On community at 44 Saturday Road, Mount Pleasant, South Carolina 29464; CV-6, as recorded in the final plat of Phase II, Sub-phases B-F, Town of Mt. Pleasant, Charleston County, South Carolina, recorded September 12, 2000.

ii. "Grounds" – includes the land on which the Creek Club Building stands, and the parking lot adjacent to the Creek Club Building;

iii. "Creek Club" – means the Creek Club Building and Grounds together, as defined in A and B, above.

iv. "Docks" – includes: the driveway by which access to the Docks is gained; the walking trail that connects the parking lot and the fixed dock; a boat launch secured by a chain lock; a fixed dock; two (2) floating docks; the piers that hold the floating docks in place; two (2) catwalks; a gazebo; and all cleats and bumpers on the docks;

v. "Overflow Parking Lot" – means the parking lot located 1 block away from the Creek Club, CV-5, as recorded in the final plat of Phase II, Sub-phases B-F, Town of Mt. Pleasant, Charleston County, South Carolina, recorded September 12, 2000.

B. "Assembly" – means the I'On Assembly Inc., a South Carolina nonprofit corporation;

C. "Creek Club Owner" – means _____;

II. Use and Limitations on Use of the Creek Club Property

A. Conforming Use.

i. As to Creek Club Owner

Creek Club Owner shall only use the Creek Club Property for events, as defined in II.B, which conform to the prior and historic civic use of the I'On Creek Club.

ii. As to Assembly

Assembly shall have continued and perpetual community access to the Creek Club Property in the same manner and to the same extent as in the past. This access shall be restricted to current and future Assembly members only. Such community access shall be governed by and subject to the Agreement to Establish "Common Space" Using I'On Creek Club Facility (2008 Agreement attached hereto as Exhibit ___).

B. Events Permitted and Restricted.

Permitted Events. Events which conform to the prior and historical use of the Creek Club include:

i. Wedding ceremonies;
ii. Wedding receptions;
iii. Rehearsal dinners;
iv. Special occasions (birthday parties, retirement dinners, anniversary parties, and graduation parties);
v. Corporate events (meetings, retreats, banquets, lectures, training sessions and holiday parties); and
vi. Other similar events, for which the Creek Club Owner / Tenant charges a fee.

Limitations on Permitted Events. Permitted Events are subject to the following limitations:

i. No event shall start before 9 a.m., EST.
ii. No event shall end after 10:00 p.m., EST.
iii. Events for which audible entertainment is scheduled (including, but not limited to: music, bands, orchestras, DJs, PA systems, loud speakers, [...]) must comply with all applicable noise ordinances. The entertainment for such events shall not start prior to 10:00 am and shall cease no later than 9:30 p.m.

Restricted Events. Creek Club Owner agrees not to use, or permit the use of, the Creek Club Property for any purpose which is illegal, or which constitutes or creates a nuisance, or which tends to reduce the value or attractiveness of the Creek Club Building or Property to the Assembly.

C. Days of use.

"Days of use" shall mean the number of days the Creek Club Owner may schedule and reserve the Creek Club for permitted events during a given calendar year.

Calendar year 2008 shall be used as a baseline measure for the number of days of use permitted under this document.

If the Creek Club Owner desires to increase the number of days of use in a given calendar year by more than 7.5% of the 2008 baseline number of days of use, the Club Owner shall first obtain the I'On Assembly Board's approval prior to scheduling or booking additional events at the Creek Club, such approval shall not be unreasonably withheld.

D. Restriction on use of the Creek Club Building and Grounds

Creek Club Owner shall not restrict the Assembly's use of the Creek Club Building and Grounds more than ___ days per calendar year (see "days of use" defined in II.C above).

Creek Club Owner may restrict the Assembly's use of the Creek Club Building and Grounds for any and all for-profit events as set forth in II.B.i-vi above.

On any day the Creek Club Owner has scheduled and reserved the Creek Club for a permitted event, Creek Club Owner may restrict the Assembly's use of the Creek Club Building and Grounds that day only to the following extent:

i. For the entire duration of any scheduled event;
ii. For the entire duration of any set up or break down for any scheduled event;
iii. For up to one hour prior to the start of a scheduled event (during which time guests arrive); and

iv. For up to one hour after an event is scheduled to end (during which time guests leave).

Except as outlined in II.D.i-iv. above, Assembly shall have the right to park cars and golf carts in the parking lot adjacent to the Creek Club Building.

Creek Club Owner shall not restrict the Assembly's use of the Creek Club Building and Grounds, except to the extent set forth in II.D.i-iv above, without first obtaining the I'On Assembly Board's approval, such approval shall not unreasonably be withheld.

E. Restriction on use of the Docks

Assembly shall have, at all times, access to and use of the Docks.

Creek Club Owner shall not, at any time, restrict the Assembly's access to or use of the Docks.

Creek Club Owner shall not have access to or use of the Docks, at any time, or for any purpose, without first obtaining the Assembly's approval. Owner's guest may access the fixed dock and Gazebo during events. Owners Guests may not use the floating docks for the purpose of docking a boat at any time without the written approval of the assembly.

F. Restriction on use of overflow parking lot

For any event at which more than ____ attendees are present (or expected to attend), Creek Club Owner may restrict the Assembly's use of the overflow parking lot to the same extent as outlined in II.D.i-iv above.

Except as outlined in II.D.i-iv. above, Assembly shall have the right to park trailers in the overflow parking lot.

III. Security

Creek Club Owner shall provide adequate security for the entire duration of any event, as defined in Section II.B above, at which more than ____ attendees are present (or expected to attend). Adequate security includes, but is not limited to, the presence of [a professional and licensed security guard / an off-duty police officer] to maintain peace among the guests and between the guests and homeowners, and to ensure conformity with all applicable ordinances, laws and regulations.

IV. Traffic, Parking and Transportation Services

Creek Club Guests are required to park in the Overflow Parking Lot, and not on the streets. Creek Club Owner shall bear full responsibility for enforcing guest parking.

V. Signs

Creek Club Owner shall have the right to place temporary signs on the premises to indicate to Creek Club Guests the location and direction of the Creek Club. Temporary signs shall not be erected prior to the day of a particular event, and shall be promptly removed. Under no circumstances shall any temporary sign remain on the premises longer than 24 hours for any one particular event.

VI. Obligation to Maintain and Insure

A. Maintenance Responsibility.

i. Creek Club Owner – exclusive responsibility

Creek Club Owner shall be exclusively responsible for the upkeep, repair and maintenance of:

a) the Creek Club Building;
b) the Grounds; and
c) the Overflow Parking Lot.

Creek Club Owner shall be exclusively responsible for maintaining the property in a-c above in a clean and attractive condition and in good order and repair in a manner consistent with the standard of maintenance and repair generally prevailing in the I'On Community.

In the event the property in a-c above sustains visible damage, wear and tear, or destruction, Creek Club Owner shall repair or reconstruct the property in accordance with its appearance prior to the damage, wear and tear, or destruction, unless the I'On Assembly agrees to the contrary. The repair or reconstruction shall be accomplished within 60 days of the damage, wear and tear, or destruction unless the Assembly grants a waiver based upon a finding of hardship [or some other reason_____]. Should Grantee (Creek Club Owner) not conform to these provisions, the Assembly may accomplish necessary repairs or reconstruction according to its best judgment, and levy an assessment upon the Creek Club Owner / Tenant for the costs involved.

Creek Club Owner shall always and at all times maintain the Creek Club as a civic use clubhouse.

ii. Assembly and Creek Club Owner – shared responsibility

Assembly and Creek Club Owner shall share the responsibility for costs for the upkeep, repair and routine maintenance of the Docks. All repair and maintenance costs shall be governed by a formula whereby the Assembly is responsible for 50% of said costs and the Creek Club Owner is responsible for 50% of said costs.

Assembly shall maintain the Docks in a clean and attractive condition and in good order and repair in a manner consistent with the standard of maintenance and repair generally prevailing in the I'On Community. In the event all or any portion(s) of the Docks sustain visible damage, wear and tear, or destruction, Assembly will execute all maintenance and repairs to the Docks and the Creek Club Owner will reimburse the Assembly for its 50% portion of the costs.

Assembly shall repair or reconstruct the Docks in accordance with their appearance prior to the damage, wear and tear, or destruction, unless the parties mutually agree to the contrary. Assembly shall provide to the Creek Club Owner a detailed invoice for its 50% portion of the costs within 10 days of completion. Creek Club Owner shall reimburse the Assembly for its 50% portion of the costs within 30 days of receipt of the invoice. If the Creek Club Owner fails to reimburse the Assembly for its 50% portion of the costs within 30 days, the Assembly may assess a 10% late fee per month on the Creek Club Owner's 50% portion of the costs.

B. Insurance Responsibility.

Required Coverages. Creek Club Owner shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available, on the property in Section VI.A.i-ii above.

i. Blanket Property Insurance covering "risks of direct physical loss" on a "special form basis" (or comparable coverage by whatever name denominated) for all insurable improvements on the property, to the extent that the party is responsible for repair or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. Such insurance shall have policy limits sufficient to cover the full replacement cost of the insured improvements under current building ordinances and codes, less a reasonable deductible; Creek Club Owner shall name the Assembly as an additional insured under this coverage;

ii. Commercial general liability insurance, insuring the Creek Club Owner and its employees (and in the event of shared maintenance responsibility, the Assembly and its members) for damage or injury caused by the negligence of the party(ies), or any of its employees

or members, agents or contractors while acting on its behalf, in such amount as the party(ies) deems prudent; provided, if generally available at reasonable cost, such coverage (including primary and umbrella coverage) shall have a limit of at least $1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage. Creek Club Owner shall name the Assembly as an additional insured under this coverage;

iii. Such additional insurance as may be required by law, or as the I'On Assembly Board, in the exercise of its business judgment, determines advisible;

Policy Requirements. All Insurance coverage obtained by the Creek Club Owner shall:

i. Be written with a company authorized to do business in South Carolina;
ii. Include an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of any curable defect or violation without prior written demand to the insured to cure the defect or violation and allowance of a reasonable time to cure;
iii. Include an endorsement requiring at least 30 days' prior written notice to the insured of any cancellation, substantial modification, or non-renewal;

C. Insurance for the Docks.

Creek Club Owner shall name the Assembly as an additional insured under all insurance coverage for the Docks.

Creek Club Owner shall provide to the Assembly a detailed invoice for the Assembly's 50% portion of the costs of insuring the Docks. Assembly shall reimburse Creek Club Owner for its 50% portion of the costs within 30 days of receipt of the invoice. If the Assembly fails to reimburse the Creek Club Owner for its 50% portion of the costs within 30 days, the Creek Club Owner may assess a 10% late fee per month on the Assembly's 50% portion of the costs.

D. Right to Enforce.

If either the Creek Club Owner or the Assembly fails to adequately perform its maintenance responsibilities or fails to obtain and maintain insurance as required herein, the other party may notify it of such default and, unless the defaulting party takes affirmative steps to cure such default within a reasonable period of time set forth in the notice, the other party may pursue any and all remedies

available to it at law or in equity to enforce the defaulting party's obligations hereunder.

VII. Amendment

This Agreement may be amended only by an instrument signed on behalf of the Assembly, with the approval of a majority of the members of its Board of Trustees and by the Creek Club Owner. Amendments to this Agreement shall become effective upon recordation in the Registry of Mense Conveyances for Charleston County, South Carolina, unless a later effective date is specified therein. Any procedural challenge to an amendment must be made within six months of its recordation. In no event shall a change of conditions or circumstances operate to amend any provisions of this Agreement.

VIII. Governing Law

This Agreement shall be governed by the laws of the state of South Carolina.

Assembly and Creek Club Owner agree to comply with all applicable laws, ordinances, rules and regulations of any municipal or governmental entity or agency having jurisdiction over the Creek Club Property.

IX. Indemnity

Assembly and Creek Club Owner shall not be liable to the other party, or to the other party's agents, servants, employees, customers, or invitees for any injury to person or damage to property caused by any act, omission, or neglect of Grantor and/or Grantee, its agents, servants or employees, invitees, licensees or any other person entering the Creek Club Property under the invitation of Grantor and/or Grantee or arising out of the use of the Creek Club Property by Grantor and Grantee. Grantor and Grantee shall indemnify and hold harmless the other from all liability and claims for any such damage or injury including reasonable attorneys' fees and costs.

X. Non-Smoking Areas

All heated and cooled areas of the Creek Club Building are designated as non-smoking areas. Assembly and Creek Club Owner agree not to permit smoking in designated non-smoking areas.

XI. Damages from Certain Causes

Assembly shall not be liable to Creek Club Owner for any loss or damage to the Creek Club Property or loss to person occasioned by theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, casualty, vandalism, court order, requisition, or order of governmental body or authority or by any other cause

beyond the control of Assembly, nor shall Assembly be liable for any inconvenience which may arise through repair or alteration of any part of the Creek Club Property.

XII. Miscellaneous

A. Invalidity.

The invalidity of any part of this Agreement, or Exhibits attached hereto, shall not impair or affect the validity or enforceability of the remainder of this Deed and in such event all other provisions of this Agreement shall continue in force and effect as if such invalid provision shall have never been included.

B. Waiver

No provisions contained in this Agreement shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

C. Severability.

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid, but if the application of any non-essential provision to any person or to any property shall be prohibited or held invalid, such prohibition or invalidity shall not affect any other provision or the application of any provision which can be given effect without the invalid provision or application and without defeating the intent hereof, and, to this end, the provisions of this Agreement are declared to be severable.

D. Captions.

Captions in this Agreement are inserted as a matter of convenience and for reference only, and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provision hereof.

E. Notices.

Any notice provided for in this Agreement shall be in writing and shall be deemed to have been duly given, if personally delivered, at the time of personal delivery, or if mailed, on the second business day following the deposit of the envelope containing such notice in the United States Mail, registered or certified, first class postage prepaid, and properly addressed:

i. If to Creek Club Owner, at the address

_____

ii. If to the Assembly, at the address

DRAFT

Exhibit A

Club Property

ALL that certain piece, parcel or tract of land, situate, lying and being in I'On in the Town of Mt. Pleasant, County of Charleston, State of South Carolina, being shown as Lot CV-6 on a plat entitled "Conditional Subdivision Plat of Phase II, Subphases A-E, I'On, Town of Mt. Pleasant, Charleston County, South Carolina" prepared by F. Elliotte Quinn, III, R.L.S. of Thomas and Hutton Engineering Company, dated April 19, 1999, and recorded in the RMC Office for Charleston County, South Carolina in Plat Book ED, Page 108-109, said tract having such size, shape, buttings, and boundings as shown on said plat.

DRAFT

Brook Trevino

From: Tom Graham <ThomasC.Graham@comcast.net>
Sent: Friday, March 13, 2009 9:27 AM
To: Vince Graham
Cc: Chad Besenfelder
Subject: Creek Club Issues
Attachments: Graham letter- Bruce Kinnny Creek Side Club docks.doc

Issues related to the Creek Club sale, the "Creek Side" docks ownership and the I'On Amenities Cross-Use Easement between I'On Club, Creek Club, TIC and Assembly are intertwined.

1. Conformity of Creek Club current use with "Civic" zoning. My major previous concern now appears to be resolved with the satisfactory BOZA ruling which apparently will not be appealed by Catherine Templeton. I expect we'll get a signed settlement agreement shortly. Nevertheless, it now appears that she will not appeal BOZA ruling.
2. Dock Ownership complaint. Bruce Kinney's I'On Assembly letter dated March 11 is attached. We must determine appropriate response to that letter — which seems to me to require a modification to the Amenities Cross-Use Easement above AND prior agreement by Mike Russo, in the event that he chooses to proceed with Creek Club Purchase Agreement.
3. Creek Club purchase financing.

Let's discuss these issues face-to-face sometime today? I'm open after 10:30.

--

Tom Graham

[redacted]

Ne Oublie



On 3/11/09 11:47 AM, "Tom Graham" <ThomasC.Graham@comcast.net> wrote:

Creek Club issues:

I see three issues:

1. Conformity of Creek Club current use with "Civic" zoning classification. BOZA ruling confirmed that, subject to potential appeal to Circuit Court within 30 days of BOZA ruling publication (which I understand will be sometime this week.) I understand that Catherine Templeton will not appeal the BOZA ruling, nor assign it to anyone else for appeal. Morgan Templeton and Dan were engaged in lawyer language duel which I stopped Monday evening. This morning I asked Dan to ask Morgan if they would approve Dan's latest counter (which I last sent to both of you), before I reviewed with Mike Russo for his approval before I signed it back.
2. Dock ownership complaint. I understand that Ward Mundy wrote letter to the Assembly Board complaining of Board's failure to acquire ownership of docks from I'On Club. I've not seen the complaint. It seems to me to be a trivial complaint and Creek Club operations could be improved by the Club conveying a narrow strip of land (marsh walk extension) adjacent to Hobcaw Creek together with the Creek Club boating facilities and revising the Cross-use easement to have the Creek Club, I'On Club and TIC retain rights to use the boating facilities and the I'On Assembly own and maintain them. Bruce Kinney has prepared a proposal which he described to me which he proposed to submit to Mike Russo for his approval. All of that is on hold pending receipt from HOA of the original protest and the HOA's response.
3. Creek Club purchase financing. It appears to me that financing is still unresolved — partly due to uncertainty related to the above zoning and dock ownership issues.

Mike Russo's letter requesting contract extension pending resolution of zoning and docks issues put his Creek Club purchase contract in limbo. We can offer to refund deposit and give him the option to proceed or cancel the deal — either now, or after the zoning and docks issues are further clarified. I've gotten mixed signals from both Mike Russo and Steve Speer on this.

The I'On Assembly, Inc.

March 11. 2009

Sent Via email thomasc.graham@comcast.net

Mr. Thomas Graham
The I'On Company
159 Civitas Street
Mt. Pleasant, SC 29464

Re: Creek Side Club

Dear Tom:

As we discussed last week, the I'On Assembly Board was recently provided copies of the 1998 HUD Property Report and the 1997 I'On Impact Statement. These were the documents that I emailed to you and Chad last week. Page 21 of the HUD Report lists various Recreational Facilities that were to be constructed by The I'On Company and conveyed to the I'On Assembly upon completion. Included in that list is a "Community Dock." After looking at the description and photographs of the proposed community docks in the Impact Statement, and reading that there were to be no private docks in I'On, it seems clear that the HUD Report contemplated the multiple docks at the Creek Club.

I understand that Chad is preparing the legal documentation for turning over other facilities to the Assembly, including but not limited to the amphitheater, the canals, I'On Square Park, and various paths and trails. Please include the Creek Club docks and access to the docks in that documentation. In that regard, I anticipate the I'On Board working with you to create a cross easement and use agreement between the Assembly and the Creek Club owner. When you can, would either you or Chad please let me know when we might have something for the Assembly's counsel to review.

Assuming this process will move rather quickly, I will make arrangements for the docks to be inspected following the procedures that Dave Rosengren has used for other facilities turned over to the Assembly. While I have not seen the purchase contract with Mike Russo and his partners, I have been told that the proposed sale includes the docks. Following our earlier conversations, the Board expects that the docks will now be excluded from the sale, but access would be part of a new easement.

Additionally, the HUD Report lists a "Creekside Park" as part of the Recreational Facilities that was to be started and completed at the same time as the docks. Would you please let us know if this park was ever built, and if so, where it is located and whether it has been conveyed to the Assembly?

As stated earlier, the Assembly Board just became aware of the HUD Report and the Impact Statement. Otherwise this matter would have been dealt with much sooner. However, since discussions about turning the docks over to the Assembly have been going on for some time, I would expect this to be a smooth transition.

Sincerely,

Bruce E. Kinney
I'On Assembly Board President

Cc: Tim Bouch
Matt Walsh

Brook Trevino

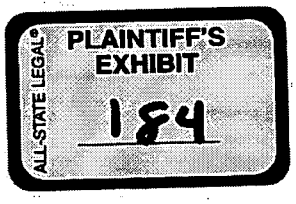
From: Tom Graham <ThomasC.Graham@comcast.net>
Sent: Thursday, March 26, 2009 9:51 AM
To: Vince Graham; Chad Besenfelder
Subject: FW: Recreational easement

- I'd like to know if Mike has serious backers with intention to purchase the Creek Club, and if so, under what conditions.
- These community games that he's instigated over the past 9-months wear me out. Would it be more efficient were communications & negotiations with Mike handled consistently — through one point person among us, rather than sometimes me, sometimes Chad, sometime Vince?
- Mike said earlier that his "commission" on sale of Club would be waived because the prospect would be his Creek Club "banker". I'd like to know what he now proposes.

--
Tom Graham
[redacted]

Ne Oublie

------ Forwarded Message
From: Mike Russo <mrusso7465@aol.com>
Date: Thu, 26 Mar 2009 09:26:13 -0400
To: Tom Graham <ThomasC.Graham@comcast.net>
Subject: Re: Recreational easement



The issue is mostly a financing issue in regards to what the property will appraise for with the docks and the land acessing the docks and the property without ownership of that asset. If they are willing to assume 100% of the costs and still grant your use and adequate control it should not matter from an operations stand point. However it will be more difficult to finance. I think it is very important that if you grant ownership it be for the docks

only and keep all the land accessing them. granting them only an easement or access over the land. Also have told Chad that the potential Club buyer will be coming to town Friday and I want to give him a tour of the facility. We need to talk about a commission agreement or a finders fee if I am able to make this deal happen.

Also I understand you are looking for a club manager. personally I think Chad would be perfect for the job with his hospitality background and current knowledge of the community I think he is a perfect choice.

THanks
Mike Russo

-----Original Message-----
From: Tom Graham <ThomasC.Graham@comcast.net>
To: Mike Russo <mrusso7465@aol.com>
Cc: Chad Besenfelder <chad@iongroup.com>; Vincent Graham <vgraham@iongroup.com>
Sent: Wed, 25 Mar 2009 8:10 pm
Subject: Re: Recreational easement

Given Jo Anne Stubblefield's clarification and the April, 2000 HUD document amendment, I don't see any compelling reason to convey the "community dock" to the Assembly. However, I still don't think it matters who "owns" the facility near as much as the nature and extent of rights and obligations of the parties. I'd prefer that the Assembly own the "community dock" (and pay for maintenance, insurance, policing, management, etc) provided I retain adequate use rights and adequate control.

This continues to appear to me be a non-issue. I must be missing something, here.
--
Tom Graham


Ne Oublie

On 3/25/09 7:32 PM, "Mike Russo" <mrusso7465@aol.com> wrote:

Does this mean that you are not going to turn over the docks????

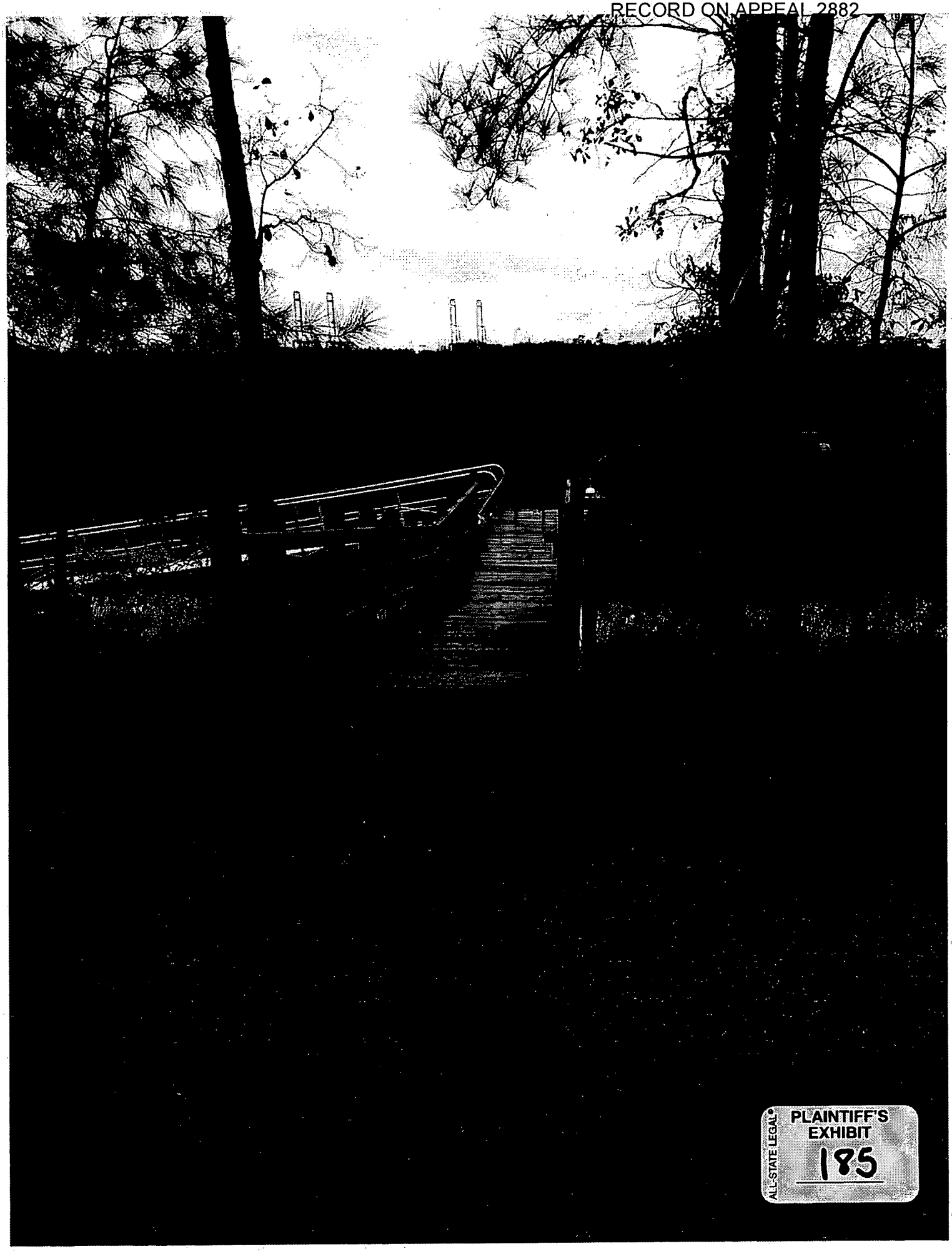
Let me Know ASAP
Mike Russo

-----Original Message-----
From: Tom Graham <ThomasC.Graham@comcast.net>
To: Bruce Kinney <bkinney94@gmail.com>; Dan Orvin <dorvin@buistmoore.com>; Mike Russo <mrusso7465@aol.com>
Cc: Vincent Graham <vgraham@iongroup.com>; Chad Besenfelder <chad@iongroup.com>
Sent: Wed, 25 Mar 2009 5:10 pm
Subject: FW: Recreational easement

I think this explains why the community dock was not conveyed to the Assembly.

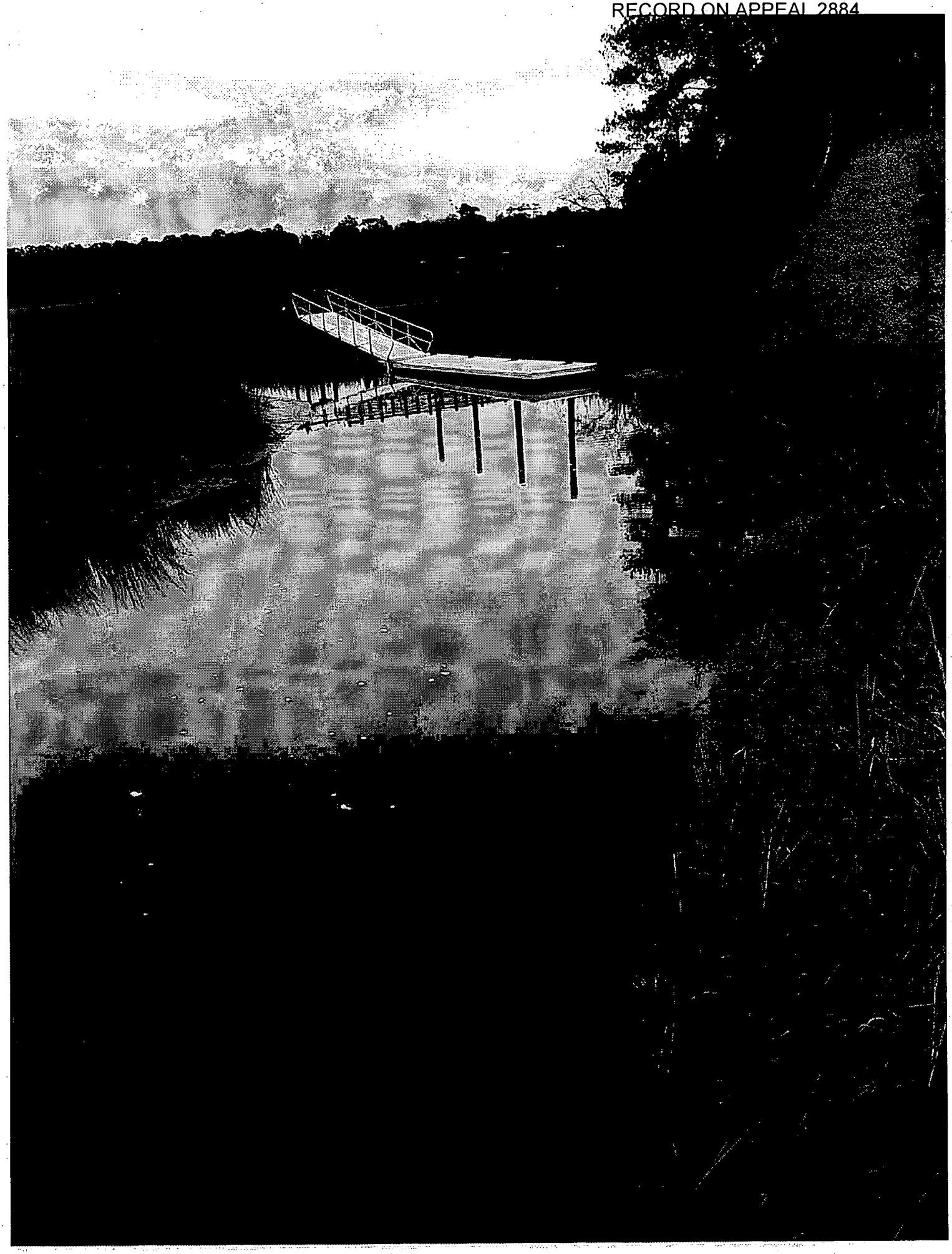
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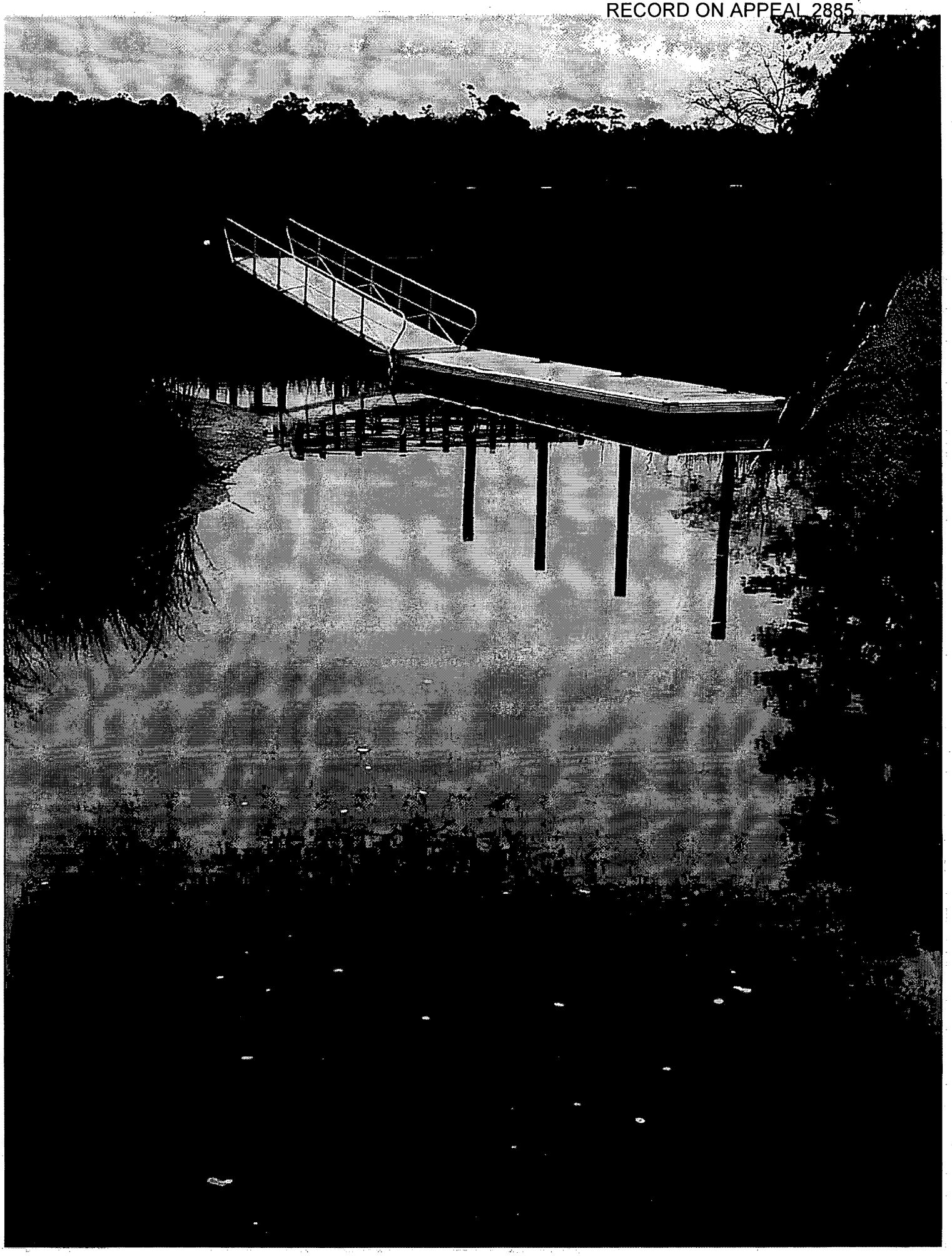
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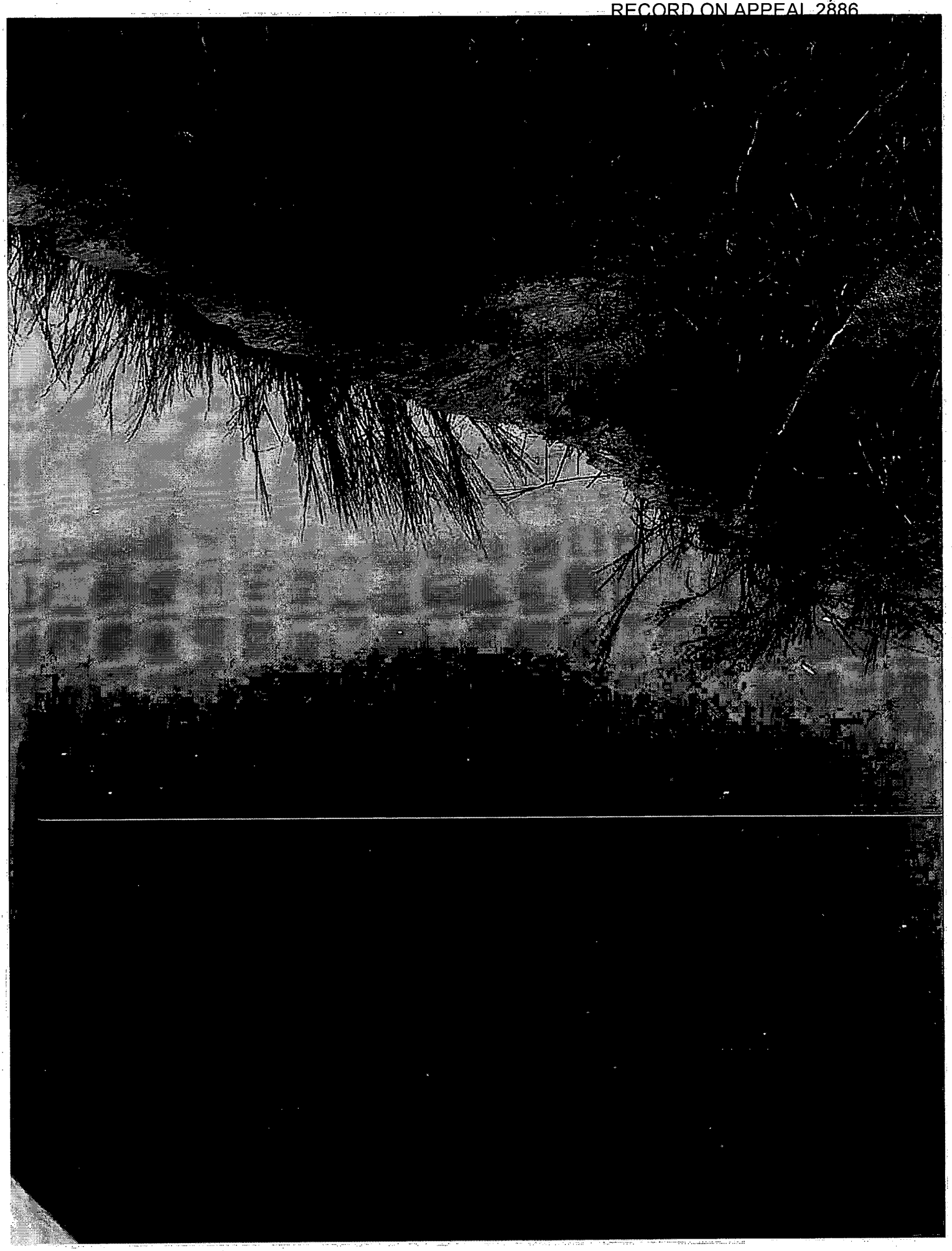


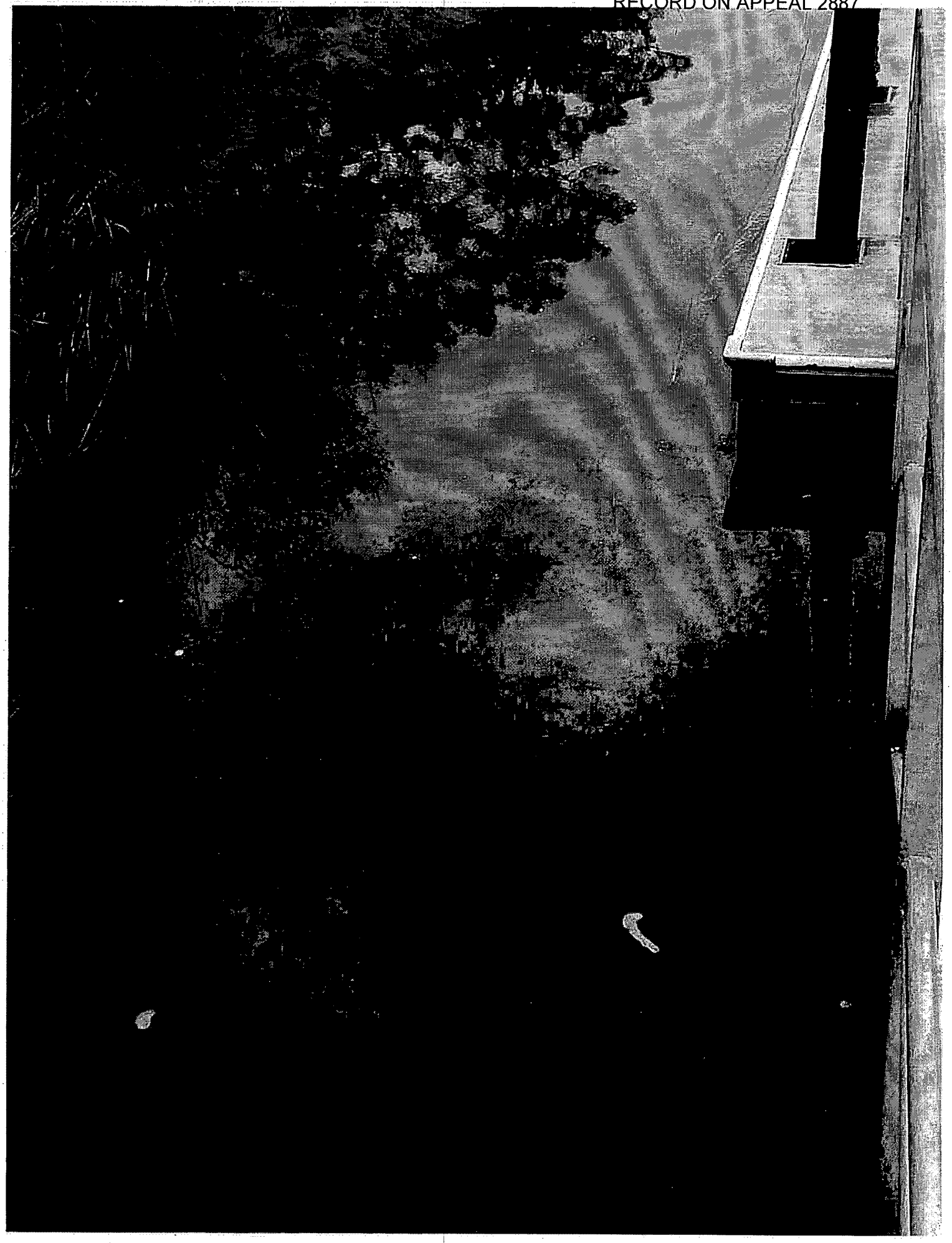
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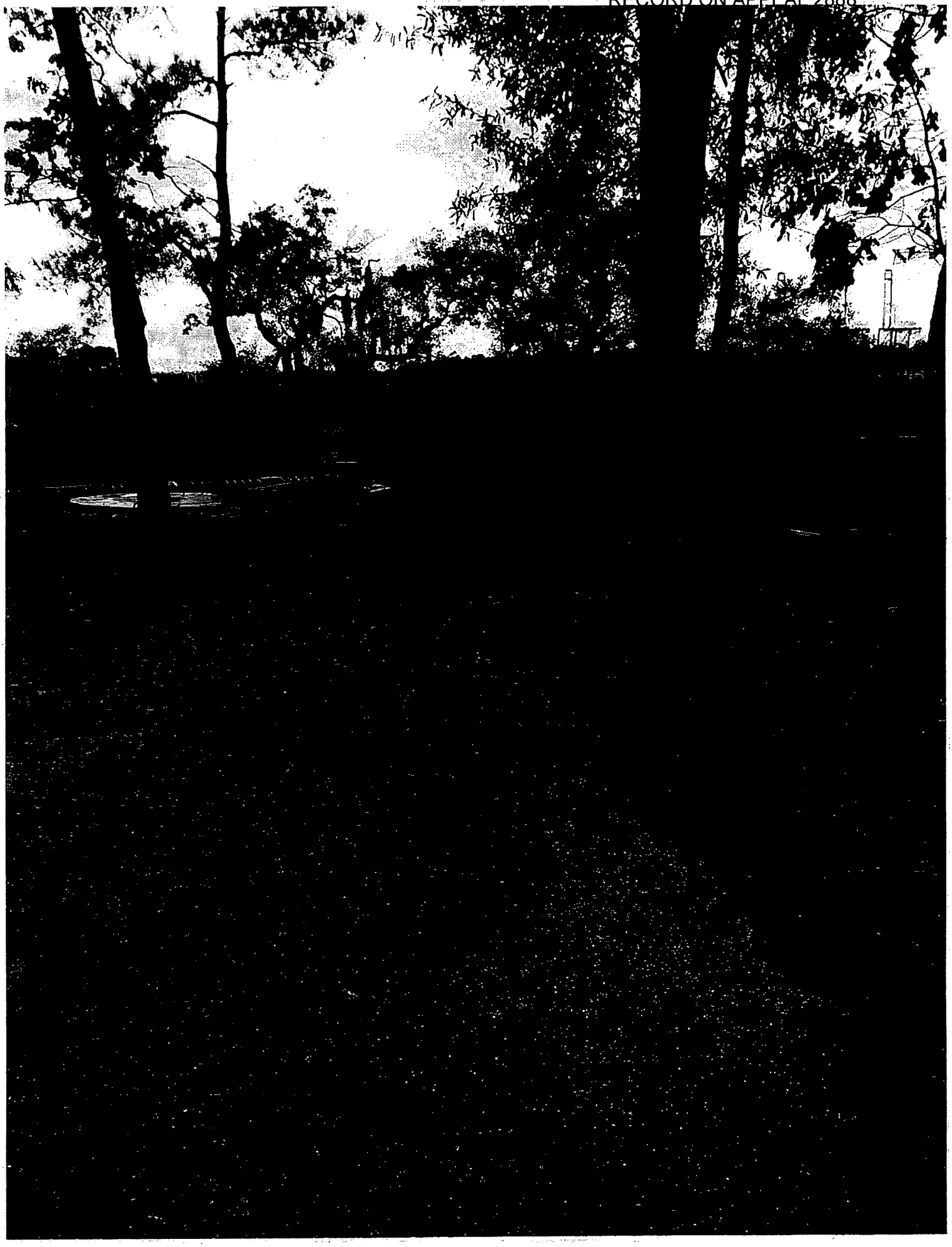


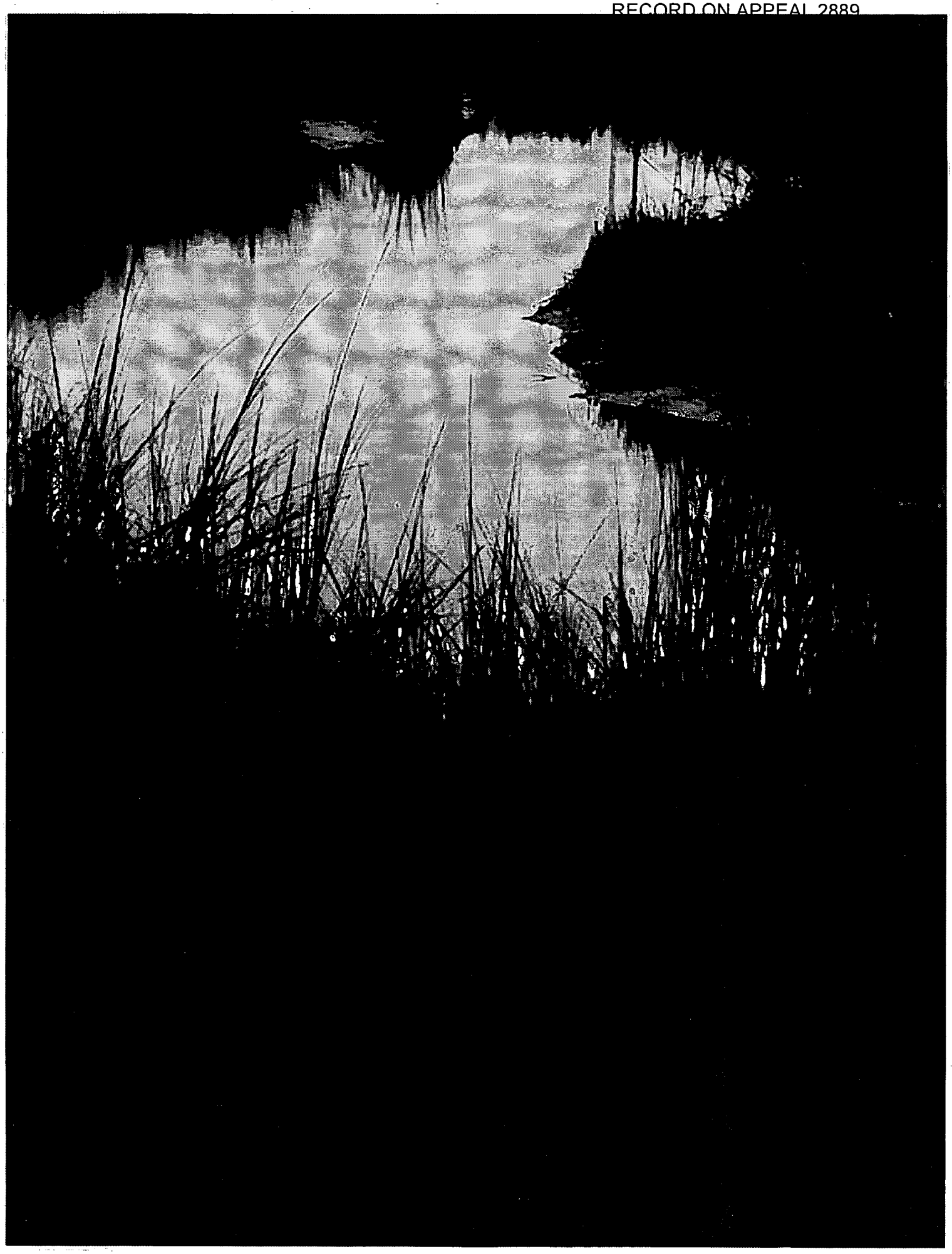




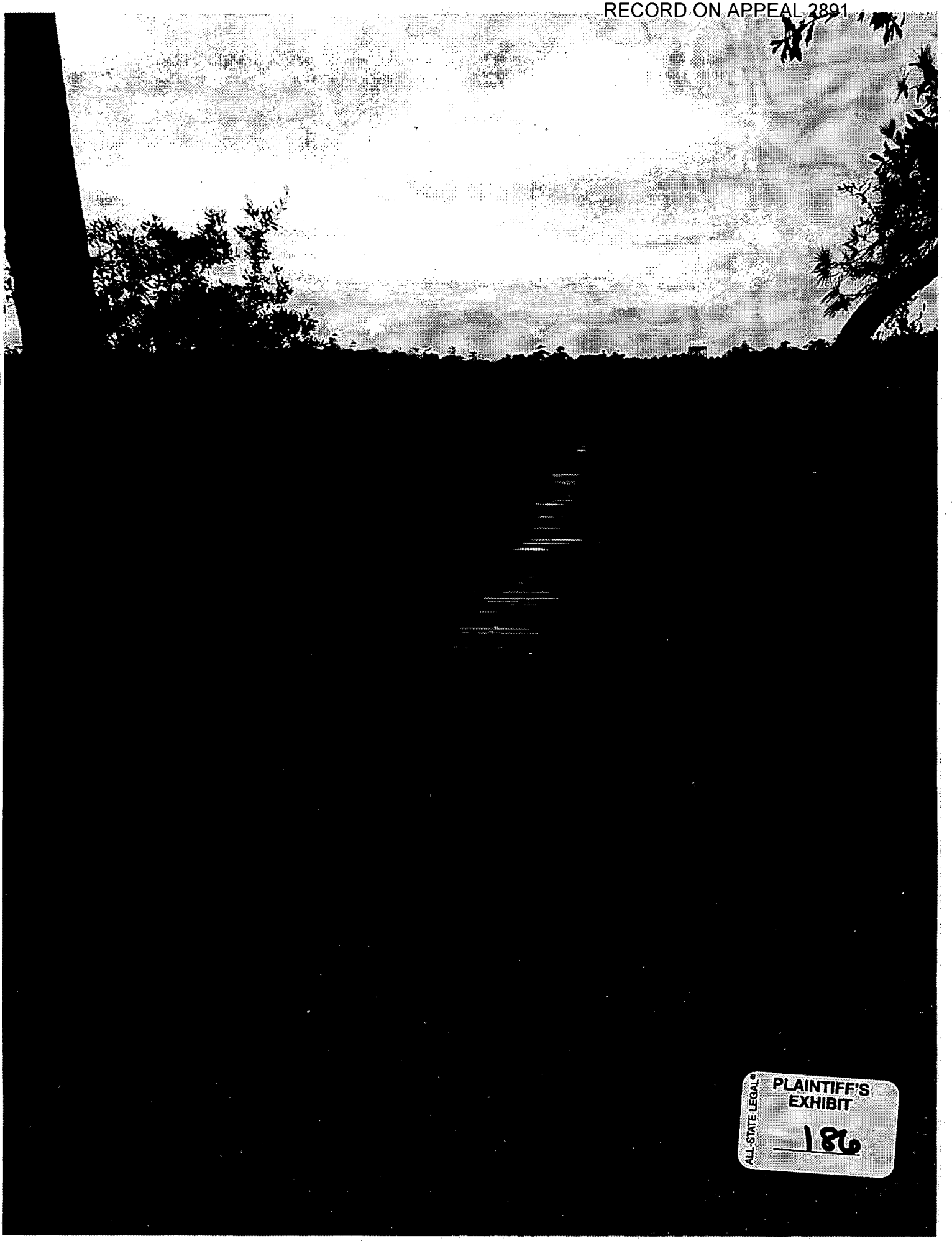




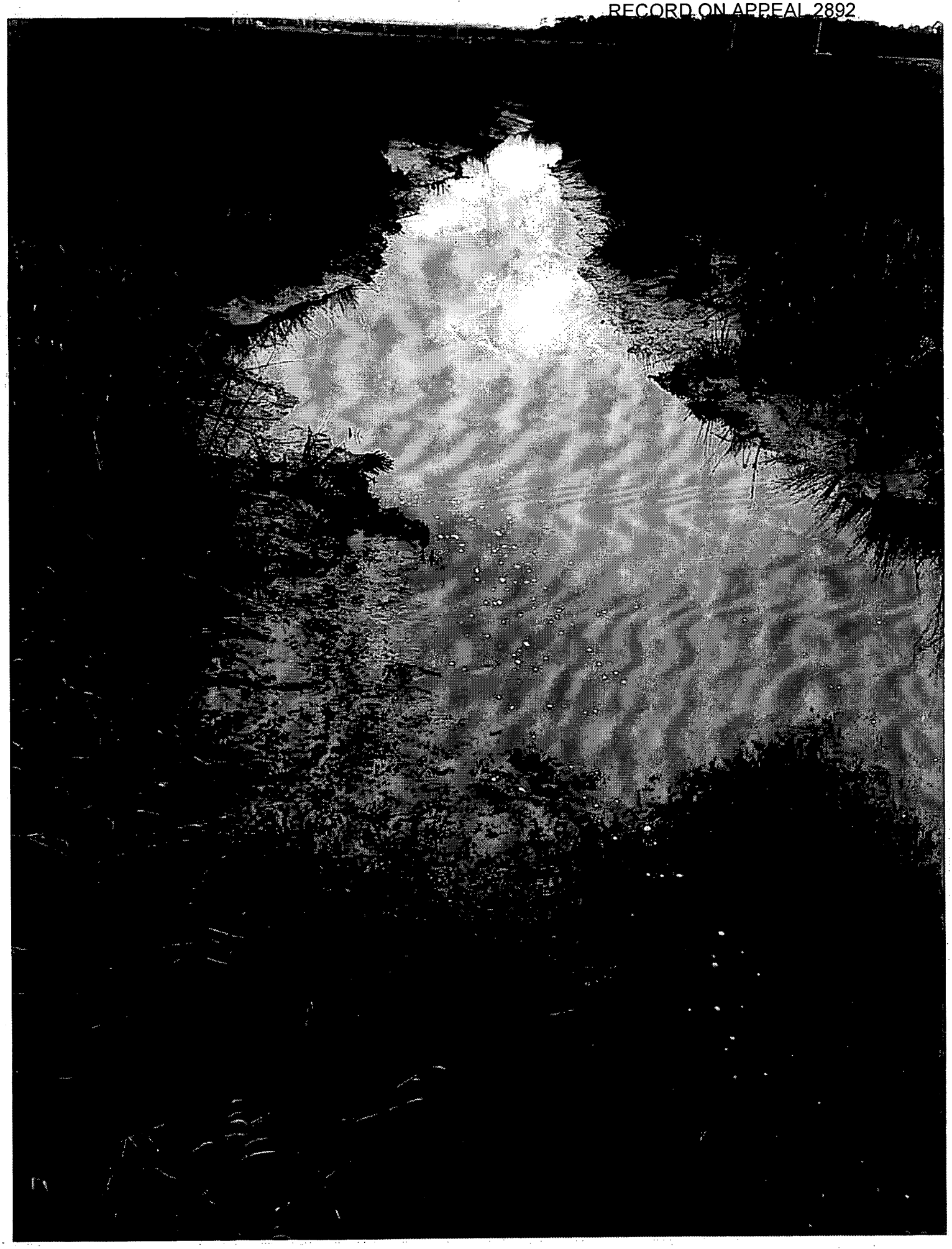


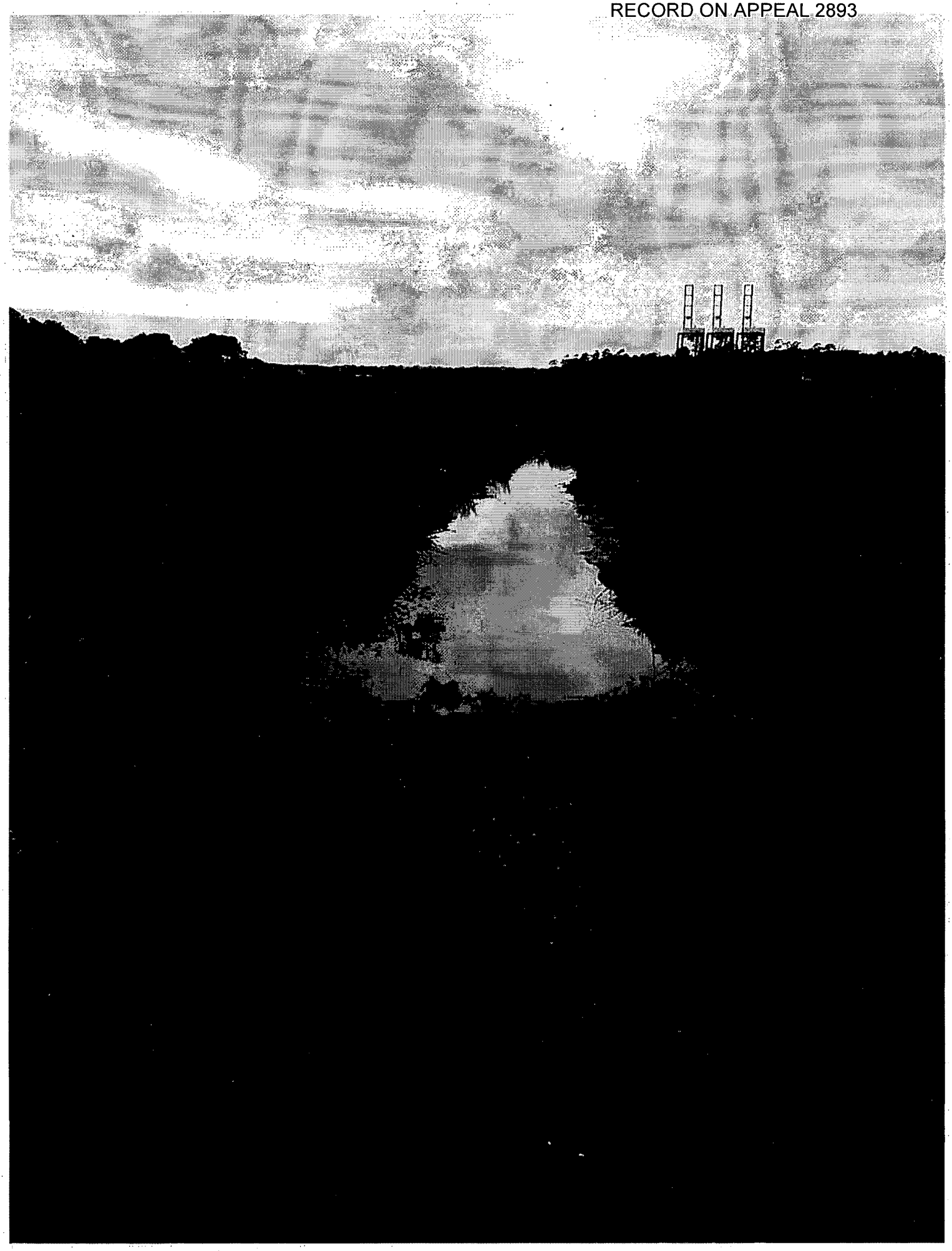




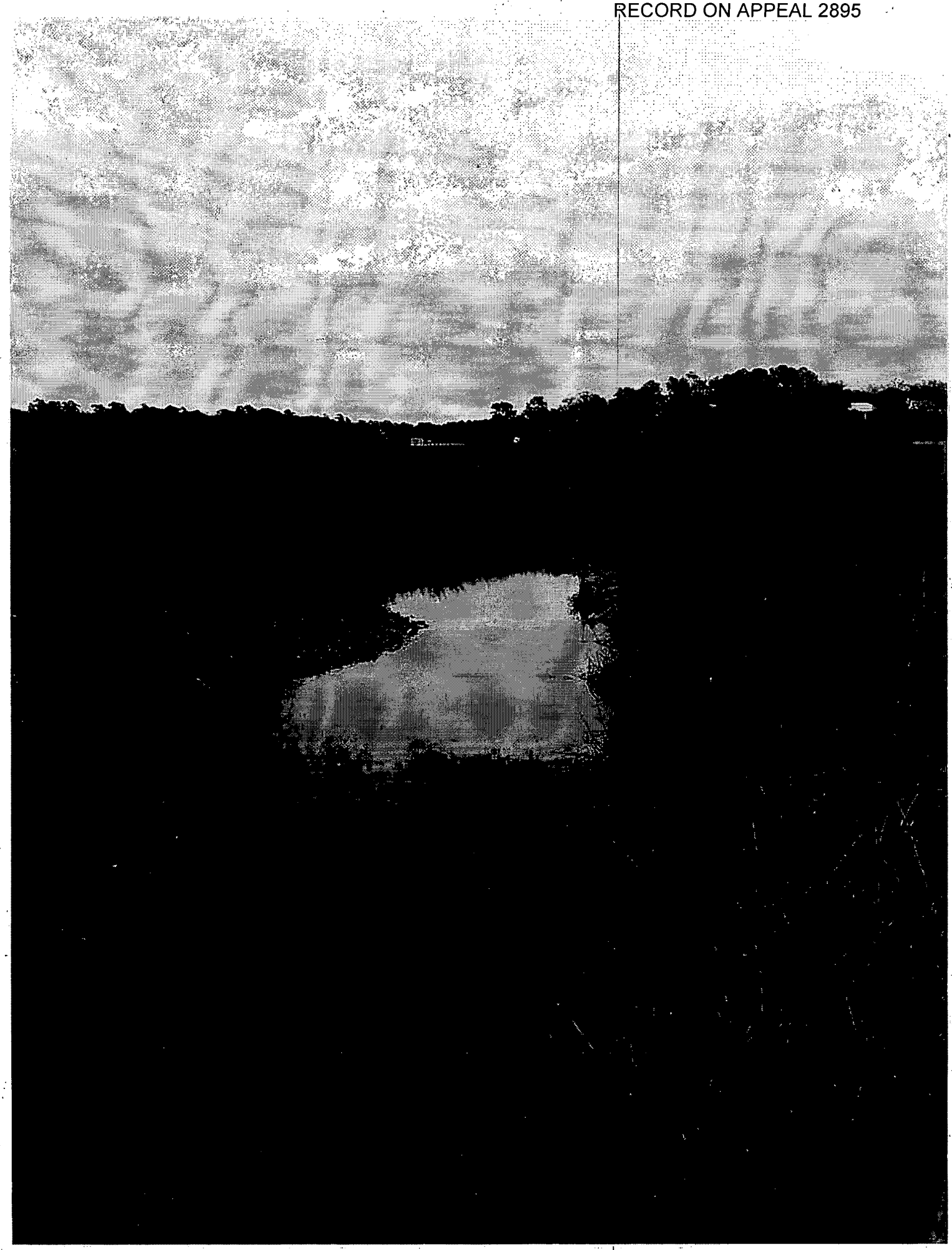


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December 8, 1998

Joe Griffith
Lewis Griffith
[redacted]

Dear Mr. Griffith & Lewis:

Thanks for meeting with us last week and clarifying your development plans as they relate to I'On.

We understand you plan to provide primary access to your subdivision direct to Mathis Ferry Road with only supplemental access through I'On. We appreciate your willingness to be "good neighbors" and we hope to reciprocate.

Access suggestion. As you know, because of the size and nature of your development, the Town will require an Impact Statement including traffic study. To mitigate the traffic generated from your site, we would like you to consider utilizing Heron Pointe Boulevard, and building a roundabout and a new connector road between Mathis Ferry Road and the frontage road along US17. This new connector road could utilize the left over 50' wide strip of land to extend Heron Pointe Boulevard direct to the US17 connector road. The roundabout would create a more memorable entry statement for your subdivision. It would greatly improve left turn access for your residents. In conjunction with the I'On roundabout, your roundabout would "calm" traffic along this section of Mathis Ferry Road and enhance the quality of that road as the front door for both of our developments. Multiple connections from your development through Heron Pointe Boulevard to Mathis Ferry Road – particularly if connected with a roundabout at Mathis Ferry – would provide your residents with a superior "through" route to Mathis Ferry. This superior access alternate would likely reduce the amount of traffic generated by your subdivision through our I'On development.

Proposal. In response to request for proposal for access to gravity sanitary sewer, the I'On Club and I'On's community dock and boat ramp, we are pleased to submit the following. This proposal is conditioned upon access connections as follows:

1. No connection will be built until the streets serving your residents likely to use such connection have been paved and 75% of the homes in your community are complete. Except that such connection may be available for a limited term to enable building permit for Mr. Joe Rice's home.
2. Each connection will be designed so as to "calm" traffic passing between the neighborhoods and minimize any negative impacts for neighbors in I'On, as well as those in your subdivision.
3. Each connection location and design will be approved by a sub-committee of the I'On Assembly (our Home Owners Association) and will include residents living in the immediate proximity of the connection.
4. No construction traffic will be allowed to utilize any connection – either from I'On through your subdivision or from your subdivision through I'On.

Sewer. We are planning a sewer lift station and off site improvements to handle the needs of future homes in I'On. These improvements can be engineered and extended to accommodate the needs of your homes as well.

Club Facilities. We are in the design stages for swim, tennis, and clubhouse facilities for the I'On Club. The first phase of these facilities will begin construction early next year and be available for use

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in the fall of 1999. Facilities will consist of at least six lighted clay courts, an 8 lane by 25 yard swimming pool with a removable bubble for year-round swimming, kiddy pool, locker and bath facilities and a 3,600 S.F. Creek Club located on our waterfront park fronting Hobcaw Creek. Subsequent phases may include additional tennis courts, pool, and other meeting halls. Anticipated cost of these facilities exceeds $1,700,000.

The I'On Club will be limited to 850 members. Members will pay an initiation fee and annual dues and have access to all facilities. The Creek Club will be available to residents for wedding receptions, corporate meetings, and other gatherings. Members shall have first priority and enjoy a discounted rental fee.

Boat ramp/community dock. We will shortly apply for permits for a community dock facility and renovation of the boat ramp along Hobcaw Creek. These facilities will belong to the I'On Assembly, and be available for use by those members paying an annual "key deposit" of between $25-50. Depositors may use the community dock on a short-term (less than 24 hours) basis.

We offer entitlement to all of the above-described facilities at a package price of $435,000. This cost is allocable $85,000, $325,000 and $25,000 between the sewer tie-in, Club amenities entitlement and boat ramp/community dock, respectively. Terms are as follows: a) $50,000 non-refundable deposit paid to The I'On Company, LLC upon agreement execution; b) the $385,000 balance due within 10 days of approval of your Preliminary Plat. This proposal shall be open for your acceptance until January 5, 1999. If these terms are suitable to you, please signify by signing below and returning a copy to me together with your deposit. I will then have more formal documentation drawn up for our signatures.

If you have any questions, please feel welcome to call me. I look forward to working with you to our mutual benefit and that of the future residents of our neighborhoods.

Sincerely,

Vincent G. Graham

Cc: Tom Graham

Joe Barnes

_____

Agreed as to intent

Joe Griffith, Inc., REALTORS

~~180 East Bay Street~~ 310 Meeting Street • Charleston, South Carolina 29401
(803) 577-2230

February 19, 1999

Mr. Vincent G. Graham
[redacted]

Re: Proposal from GR, LLC for access to the I'On
Sewer, Club Facilities & Boat Ramp/Community Dock

Dear Vince,

I am writing to you in response to your proposal dated December 8, 1999 relating to the access to the above-mentioned amenities currently located or planned at I'On.

As you know, we recently purchased the Mevers tract and the new ownership entity is GR, LLC. After our recent meeting, I discussed your proposal with the new owners for their comments and response. They have indicated an interest in pursuing this proposal but would request a modification to some of the terms and conditions of your proposal.

We discussed your suggestion regarding the access from Mathis Ferry Road to our project. While this suggestion may have merit, it is not economically feasible for our development as we have reduced the number of lots to approximately 110-115.

The proposal regarding the access connections from our property to I'On is acceptable as stated in the section Proposal, items 1.,2.,3.,& 4. The condition stated in item 3. will be contingent upon the design and location of the access connection point(s) being accepted and approved by the Town of Mount Pleasant. GR, LLC reserves the right to approve or reject any access connection location and design recommended by the I'On Assembly.

The sewer lift station and off site improvements will have the capacity to accommodate our project and will be co-ordinated with our engineers at Seamon-Whitesides and Associates. Sewer lift station and off site improvements shall meet the Town of Mount Pleasant requirements.



The Club Facilities are to include the following amenities in Phase I : 1.) Minimum of six (6) lighted clay tennis courts; 2.) an 8 lane by 25 yard swimming pool with removable bubble for year round swimming; 3.) Kiddy pool; 4.) Locker and bath facilities; 5.) 3,600 square foot Creek Club located on the waterfront park on Hobcaw Creek. Additional phases of the Club Facilities are to include additional tennis courts, pool, and other meeting halls.

The boat ramp and community dock will be available to our property owners for an annual "key deposit" of $25-50.00.

It is our understanding that the I'On Club will be limited to 850 members which would include our 110-115 property owners. Our property owners will pay an initiation fee and annual dues in accordance with the lot owners in I'On. Each member will have access to all facilities and will have first priority and discounted rates for the Creek Club.

GR, LLC will pay a total of $435,000 for the above-mentioned facilities and sewer tie-in based on the following breakdown:

1.)	Sewer Tie-In	$ 85,000
2.)	Club Amenities entitlement	$385,000
3.)	Boat Ramp/Community Dock	$ 25,000
Total		$435,000

The terms of the proposal are as follows:

Initial Deposit -Upon Site Plan Approval from Town of Mount Pleasant	$ 50,000
Contribution of Residual Land -Upon obtaining subdivision of residual land and recordable plat	$ 50,000
Land Disturbance Permit -Approval by Town of Mount Pleasant	$100,000
Upon Fifty (50%) Percent completion of Club Amenities and Boat Ramp/Community Dock	$117,500
Upon One hundred (100%) percent completion of Club Amenities and Boat Ramp/Community Dock	$117,500

As part of its compensation offer for the above-mentioned package, GR, LLC will transfer ownership of the residual land (approximately .94 acres) adjacent to I'On to The I'On Company at a value of $50,000. The property is shown on the attached proposed site plan. The transfer will occur when the property can be subdivided and can be formally transferred under the regulations of the Town of Mount Pleasant. We will submit this item to the Town as soon as possible and try to get approvals immediately.

In addition, The I'On Company will provide to GR, LLC final approved plans (Phase I) for the Club Amenities and Boat Ramp/Community Dock and a construction schedule for the completion of this project. The above-mentioned construction is to be completed within eighteen (18) months from the execution date of the formal agreement or GR, LLC shall have the right to terminate the agreement and have all monies refunded.

If these terms and conditions are acceptable to you, please indicate by your signature below. Upon mutual agreement by both parties, The I'On Company will have a more formal document prepared for execution.

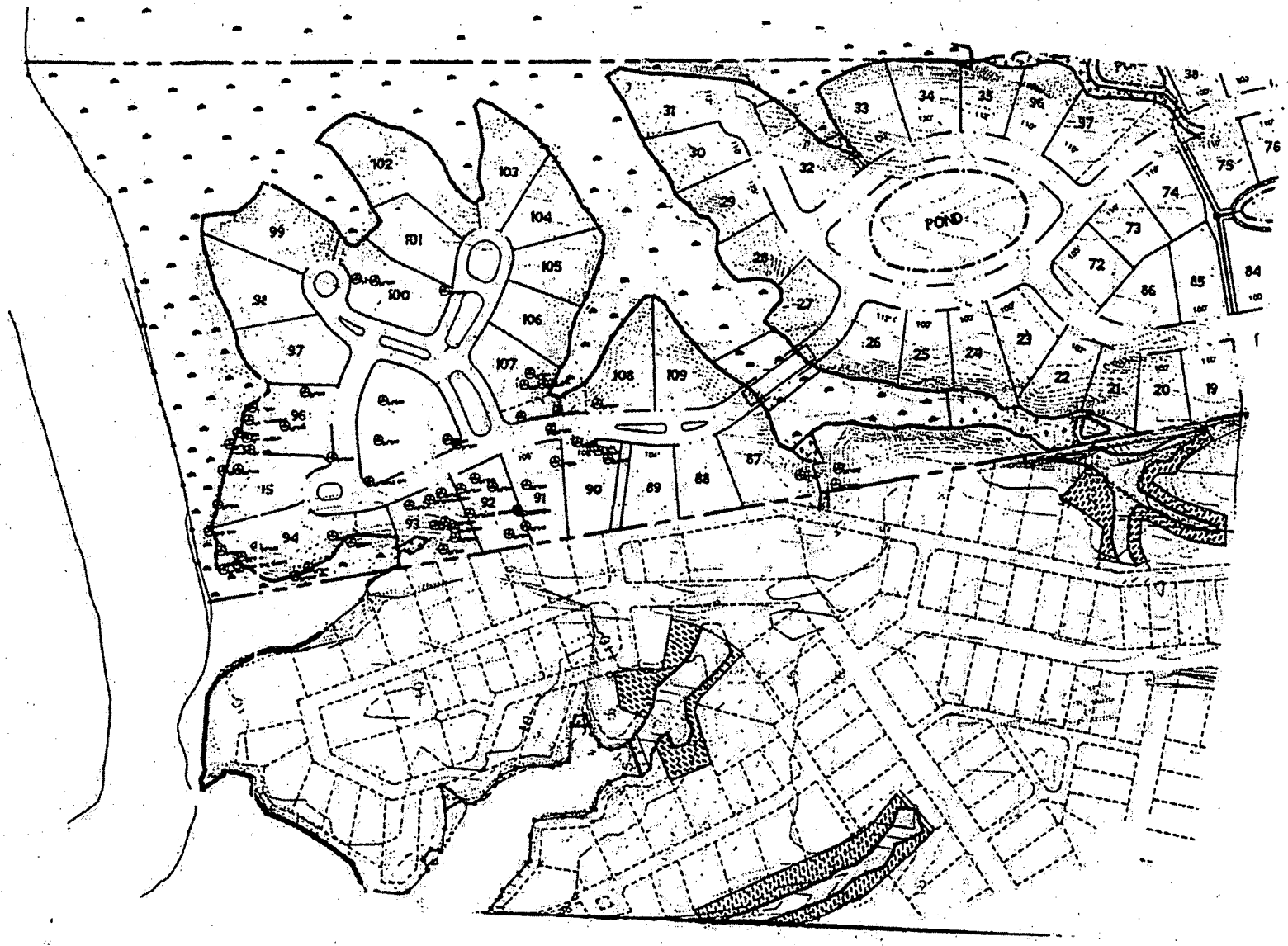
Sincerely,

Louis E. Griffith
Broker in Charge

Accepted and Agreed:

_____ _____
Date

cc: Joseph P. Griffith
Joe Rice


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March 24, 1999

Louis Griffith
Joe Griffith, Inc., Realtors
310 Meeting Street
Charleston, SC 29401

Re: Proposal from GR, LLC for access to the I'On sewer lift station and club facilities

Dear Louis:

As discussed, the costs of the sewer lift station and subsequent design fees were higher than anticipated. Therefore, we suggest the following modifications to your February 19, 1999 letter proposal:
Beginning with your 2nd page, 4th paragraph - change to:
GR, LLC will pay a total of $450,000 for the above-mentioned facilities and sewer tie-in based on the following breakdown:

1.)	**Sewer Tie-in**	**$ 100,000**	
2.)	**Club Amenities entitlement**	**325,000**	
3.)	**Boat Ramp/Community Dock**	**25,000**	
	Total		**$ 450,000**

The terms of the proposal are as follows:

Initial Deposit $ 150,000
- upon final execution of this agreement. Composed of $100,000 cash and $50,000 "Residual Land".

2nd Deposit $ 100,000
- upon Land Disturbance Permit approval by Town of Mount Pleasant

3rd Deposit $ 100,000
- Upon Fifty 50% completion of Initial Phase Swimming Pool, Tennis Courts, Locker & Bath Facilities.

Final Deposit $ 100,000
- Upon Completion of Initial phase of Club Facilities - to include Creek Club, Boat Ramp/Community Dock.

The above mentioned Sewer Tie-in to be completed within 12 months from the final execution of this agreement. The Initial Phase Club Amenities to be completed within 18 months from the final execution of this agreement. In the event either of these components were not completed within said timeframe, then GR, LLC shall have the right to terminate that portion of the Agreement and have monies applicable to said component refunded.

If these revisions are acceptable to you, please indicate by your signature below. Upon mutual agreement, The I'On Company will have a more formal document prepared for execution.

Sincerely,

Vincent G. Graham

Accepted and Agreed: Joseph P. Griffith by Louis P. Griffith

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Brook Trevino

From: Chad Besenfelder
Sent: Thursday, April 19, 2007 5:14 PM
To: Vince Graham; T Graham
Subject: RE: Creek Club Options

It could not function as it does now. My thought was to eliminate the financial need to host larger outside events. HOA buys the club in full and thus provides a low operational cost and unrestricted community center.

Another theory is that with reduced parking, people would walk. However, you need some parking for the few larger events i.e. the HOA annual meeting. The January meeting had about 100 people and few used the overflow parking area. Many walked, others parked in the small lot, others parked on the street.

My theory is most community events are small including biz-net meetings, clubs, family parties, trust meetings, HOA board meetings, etc. From my experience, the small lot should have plenty of space for those events.

Rarely the HOA would host a large event such as a resident daughter's wedding or Uncle Jack's retirement party. In this case, we may have enough spaces on the street and smaller lot. There is room to add 5 or 6 spaces at the small lot, which will total 24 spaces. Lot 294 has 5 spaces designated for club parking and Saturday Road loop now has 39 official spaces. Average wedding has 3 people per car, all totaling 204 people. Of course, many residents use street parking so it may be necessary to reduce street space count by half.

Would it be feasible to cap events to 150 people? That really is the ideal size for the facility. Exceptions could be the host arranges for small bus services or other means of group transit. Our 10-year anniversary party had about 300 people, I counted 8 cars on Maybank Green and they were all I'On Employees. Most people walked.

Currently, a larger club event of 200 to 225 people would use most of the overflow parking lot, which accommodates 50 spaces.

From: Vince Graham
Sent: Thursday, April 19, 2007 3:27 PM
To: T Graham
Cc: Chad Besenfelder
Subject: RE: Creek Club Options

I like the ideas y'all have put forth, but wonder how the CC can be functional without the parking lot. Chad, in the event of a large 200-250 person event, how is parking currently handled?

From: Tom Graham [mailto:ThomasC.Graham@comcast.net]
Sent: Thursday, April 19, 2007 6:22 AM
To: Chad Besenfelder; Vince Graham; Mark Lipsmeyer; Kimber McFadden
Subject: Re: Creek Club Options

Initial thoughts: What if sale of Creek Club to HOA were tied to ***additional*** lot entitlement to enable 5 or 6 lots on the CV-5 parcel — with added $60K/lot "donation"?
Wouldn't HOA 50% share of 5-lot add be $150,000 which would enable HOW to pay $750,000+ for the Creek Club — which might be more palatable to us?



From: Chad Besenfelder <chad@iongroup.com>
Date: Wed, 18 Apr 2007 19:05:29 -0400
To: Vince Graham <vince@iongroup.com>, Mark Lipsmeyer <mark@iongroup.com>, Kimber McFadden <kimber@iongroup.com>
Cc: T Graham <thomasc.graham@comcast.net>
Conversation: Creek Club Options
Subject: Creek Club Options

Okay, we have three options for the HOA community center, attached. 1) Sell them more Creek Club rentals, 2) sell them a parcel on the overflow parking lot and they build a small building, or 3) sell them the Creek Club which they may not afford.

An additional option is selling the HOA the Creek Club for a reduced rate but not including the overflow parking lot. We take the parking lot and divide into 5 lot or 6 lots. These are my thoughts:

Pros:

- The Creek Club will remain a civic building that community wants and can use forever. PD amendment approval?
- HOA could agree to limit the clubs use to I'On events/residents only, reducing the parking requirements.
- The HOA will have operating costs only and would not rely on outside sales (large weddings) to absorb costs.
- Maintenance costs would be lower for the HOA, no large events each weekend.
- The HOA gets the infamous boat ramp and docks
- Split the overflow parking into 5 larger lots consistent with Saturday Road, there is room for an access lane and the Oak Trees are awesome.
- Residents on Saturday Road would have a parade celebrating less drunks and traffic congestion. Could be a seller for those who think proposed Phase 11 will produce too much traffic.
- We get out of the rental business. Hooray!

Cons:

- Not sure about rezoning, although I think the town would prefer homes rather than a non-tax producing ugly parking lot.
- How much can we sell the lots for, I am guessing $245K each? $1.225 million? Is this enough to offset the reduced sale amount of the club at, let's say $560K. Ouch, I knew that hurt you Vince, but it may work in our advantage.
- We will incur some infrastructure costs, alley lane and utility services. Maybe $40 to $50K
- We may not have enough lot permits left. Possible solution: Keep CV-10 civic, possible park for school or more parking. Convert CM-9 to three residential lots as planned, convert CM-12 to residential as planned, convert CV-8 into two residential lots, convert CV-5 into 5 residential lots with a small passive park under the oaks, keep Jefferson canals as-is. This will bring us up to 762 total residential units.
- Concerned about taking parking away from Creek Club, but we are a pedestrian friendly community. So do as God intended, drive golf carts. We may have room to add spaces to the existing parking area next to the club.
- We would reduced exposure if we limit outside weddings. Perhaps the HOA could host weddings to I'On residents/friends at a limited capacity. Do we need this additional exposure when we make the deal?

Just a thought. What do you think?

Mark and Kimber, I would like to keep the idea of selling the club quiet for now. Thanks.

Chad Besenfelder

The I'On Company

159 Civitas Street

Mount Pleasant, SC 29464

843-284-2129

Brook Trevino

From: Tom Graham <ThomasC.Graham@comcast.net>
Sent: Tuesday, August 11, 2009 10:23 AM
To: Bruce Kinney
Cc: Mike Russo; Vince Graham; Geoff Graham - away; Chad Besenfelder
Subject: Re: Creek Club

Bruce,

Thanks for the "heads up". The Creek Club sale did close as planned last week. I'll forward this memo to Mike Russo, who is managing the Creek Club for the new owner.

When The I'On Company developed the community, formed the Assembly and designed and built the Creek Club as well as the other amenities within the community, we intended to create the highest quality human habitat that we could. Unanimity is seldom an option. We've certainly always intended to consistently and accurately represent all of rights and obligations of all parties to the development. I'm sorry that you're disappointed. Hopefully, we can work together to satisfactorily resolve any legitimate concerns.

Sincerely,
--
Tom Graham
[redacted]

Ne Oublie



On 8/9/09 11:19 PM, "Bruce Kinney" <bkinney94@gmail.com> wrote:

Tom,

Thanks for your update. I am disappointed that we were not able to agree to modify any of the terms of the Rec Easement that I proposed on July 30. I feel that the suggested changes are reasonable and important for the Assembly going forward... especially the Club Owner's right to restrict access to the boating facilities for private functions and the definition of "term."

It appears that the three parties to the easement, including the I'On Assembly, were all controlled by the same entity at the time the agreement was prepared and executed in 2000. In light of a perhaps less than arms length transaction and the imminent sale of

the Club, I am advising you that the Assembly Board intends to seek counsel on what the Assembly's rights and obligations are under the agreement; and if certain terms of the agreement are consistent with representations made to I'On property owners.

I certainly do not wish to be confrontational, and any operational improvement for the community's benefit will be welcome. But I felt I should inform you of the Board's decision so that you could advise the prospective Club buyer as you deem appropriate.

Bruce

On Sat, Aug 8, 2009 at 9:53 AM, Tom Graham <ThomasC.Graham@comcast.net> wrote:
Bruce,

Thanks for your past support and your concerns for the community welfare. We're now pleased to be able to announce that Mike Russo has assumed management of the Creek Club at I'On. The Creek Club is an excellent amenity for the Assembly and I'm confident that Mike will improve its operations to the benefit of both the I'On community as well as the new Creek Club owners.

The cost allocated to the Assembly represent an excellent bargain for the Assembly. Any change to the Recreational Easement requires approval of all parties to the Agreement. Neither Mike Russo nor I want to address any changes in that recorded document right now. I think you and Matt Walsh have a valid point that the Creek Club owner does derive some benefit from the boating facilities availability but pays for none of the Recreational Easement allocated boating facility maintenance costs. However, the Creek Club owns the facility, paid for the facility, and ownership has its privileges. Capital costs -- the overwhelming real costs associated with the boating facilities -- are not included in the maintenance costs allocated to the Assembly and the Club. Several years ago, the Club elected to stop offering boating facilities to new non-resident Club Members. The Club could argue that the Club pays a disproportionate share of $9K annual maintenance costs because so few non-resident Club Members use the boating facilities. One could also argue that the boat owners that use the boating facilities should pay a much higher share (possibly all) of the boating facilities maintenance and administration costs. Bottom line: I don't think that haggling over cost split is likely to get anywhere. There are a lot of opportunities to enhance the quality of life in the community. Let's focus energies on ways we can make life in I'On better!

Tom

On 8/4/09 6:32 PM, "Bruce Kinney" <bkinney94@gmail.com <http://bkinney94@gmail.com> > wrote:

Hi Tom,
I've thought about the Creek Club and suggest that the Club owner pay 20% of the annual costs, with the other 80% being split in accordance with the formula in 3.2 (b) of the easement. That calculation was based on my

guess about the number of days Creek Club events are held, with guests having access to and use of the boating facilities.

Also, any amendment to the easement has to be recorded. But I think the changes we're talking about are very simple, and the Assembly's attorney could prepare and record the amendment.

Any changes need to be approved by a majority of Assembly Board, so I'd like to get this done before you leave for Canada and, obviously, before any sale occurs. I look forward to hearing from you.

Thanks, Bruce

Brook Trevino

From: Geoff Graham <geoff@guildquality.com>
Sent: Tuesday, July 28, 2009 8:22 AM
To: T Graham
Cc: Vince Graham; Chad Besenfelder; Mike Russo
Subject: Re: Creek Club transaction

Follow Up Flag: Follow up
Flag Status: Flagged

Thx. That sounds like an appropriate response to me. Re Templeton, I think that's a resident/hoa/town of mt p issue, and if any of us r to b involved, it ought b as residents rather than TIC. I think it is more likely a town jurisdiction thing than assembly.

On Jul 28, 2009, at 8:06 AM, "Tom Graham" <ThomasC.Graham@comcast.net> wrote:

> I didn't mislead him. I did tell Bruce that because of past actions of several malicious residents, we did not want disclose more information than necessary; that we were convinced that this management change as well as the Swim Tennis management changes beginning August 1 would benefit the I'On community. I told him that the Recreational Easement remains in place; Yoga classes will continue on the Creek Club porch as usual; Assembly access to the Creek Club and boating facilities will not be reduced; Mike plans to make significant facilities and operational improvements which will benefit the community as well as enhance Creek Club profitability. After all the previous brouhaha, Mike does not want to wave flags and promise anything, but quietly make the improvements and let the proof be in the pudding.
>
> Bruce told me that he had enhancements in mind for the Recreational Easement and would email them to me for review and discussion. At last Thursday's Assembly Board meeting, Lee Anne Adkins complained that she'd received no response from her letter to The I'On Company. Bruce told her that he was confident the I'On Company would respond. I told Bruce that Vince had prepared a response to Ms. Adkins but was waiting to send the letter to her upon his return from England next week.
>
> On a related note, I understand that Katherine Templeton defied the Assembly Board rules and whacked down the vegetation in front of her house on the "creekside park" lying between the marsh walk and the marsh. After the HOA sent her a notice to cure and $50 fine, Katherine sent a defiant threatening letter back to the Board questioning the Assembly's ownership of the land and their right to restrict her depredations. Several other adjoining marsh front neighbors – including David Jordan – followed Katherine's lead and whacked down vegetation on on the creekside park

ALL-STATE LEGAL® PLAINTIFF'S EXHIBIT 193

edge in front of their houses.

On 7/27/09 9:02 PM, "Geoff at GuildQuality" <geoff@guildquality.com> wrote:

I think it appropriate that we withhold info that we deem irrelevant/improper to disclose, but I don't like the idea of misleading him.

On Jul 27, 2009, at 7:54 PM, "Tom Graham" <ThomasC.Graham@comcast.net> wrote:

FYI

Bruce Kinney called me from Chicago to ask about the pending Creek Club sale. He'd received a call from AMCS, the I'On Assembly manager who'd fielded a call from an attorney who called AMCS asking for HOA dues balances for Creek Club and adjoining lots in reference to a pending sale. Bruce called me to find out what's going on.

I told Bruce that Mike Russo's management company was taking over management of the Creek Club and was in process of making significant physical improvements to the facility in order to enhance its position as a prime wedding event facility within Charleston.

Brook Trevino

From: Quinn, Elliotte <quinn.e@thomas-hutton.com>
Sent: Wednesday, March 25, 2009 8:45 AM
To: Chad Besenfelder
Subject: RE: I'On Creek Club
Attachments: B349-ION.PDF; I-ON Ph 2 PB EE-573.pdf

Chad,

I cannot find where we ever did a survey of the dock and ramp locations, I'm not saying we didn't just that I can't find anything. Here is the plat of the current configuration and a site plan we did for the building.

F. Elliotte Quinn, III, PLS
Thomas & Hutton Engineering Co.
www.thomas-hutton.com
quinn.e@thomas-hutton.com
(P) 843-725-5252 (F) 843-849-7878

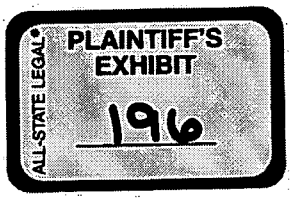
From: Chad Besenfelder [mailto:chad@iongroup.com]
Sent: Tuesday, March 24, 2009 10:58 AM
To: Quinn, Elliotte
Subject: I'On Creek Club

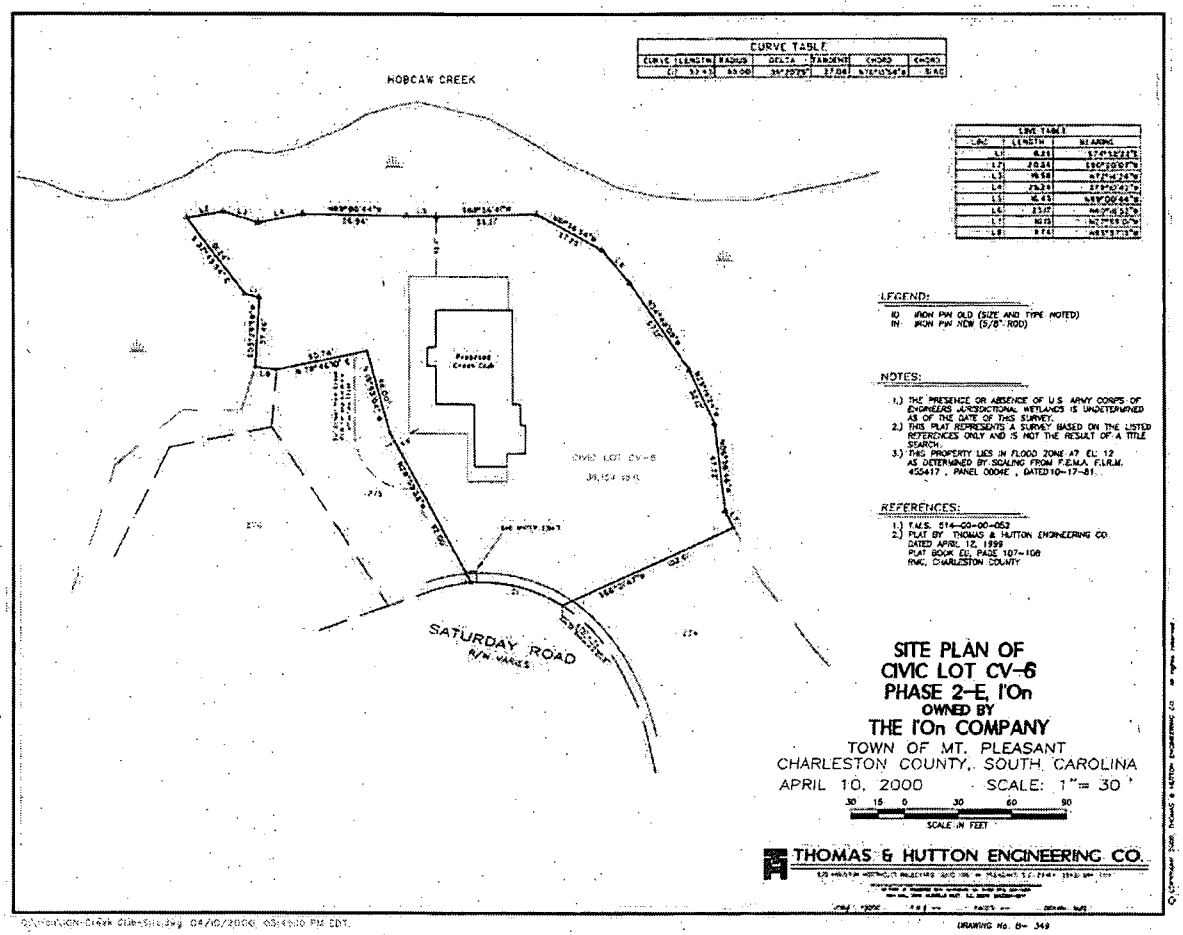
Elliotte,

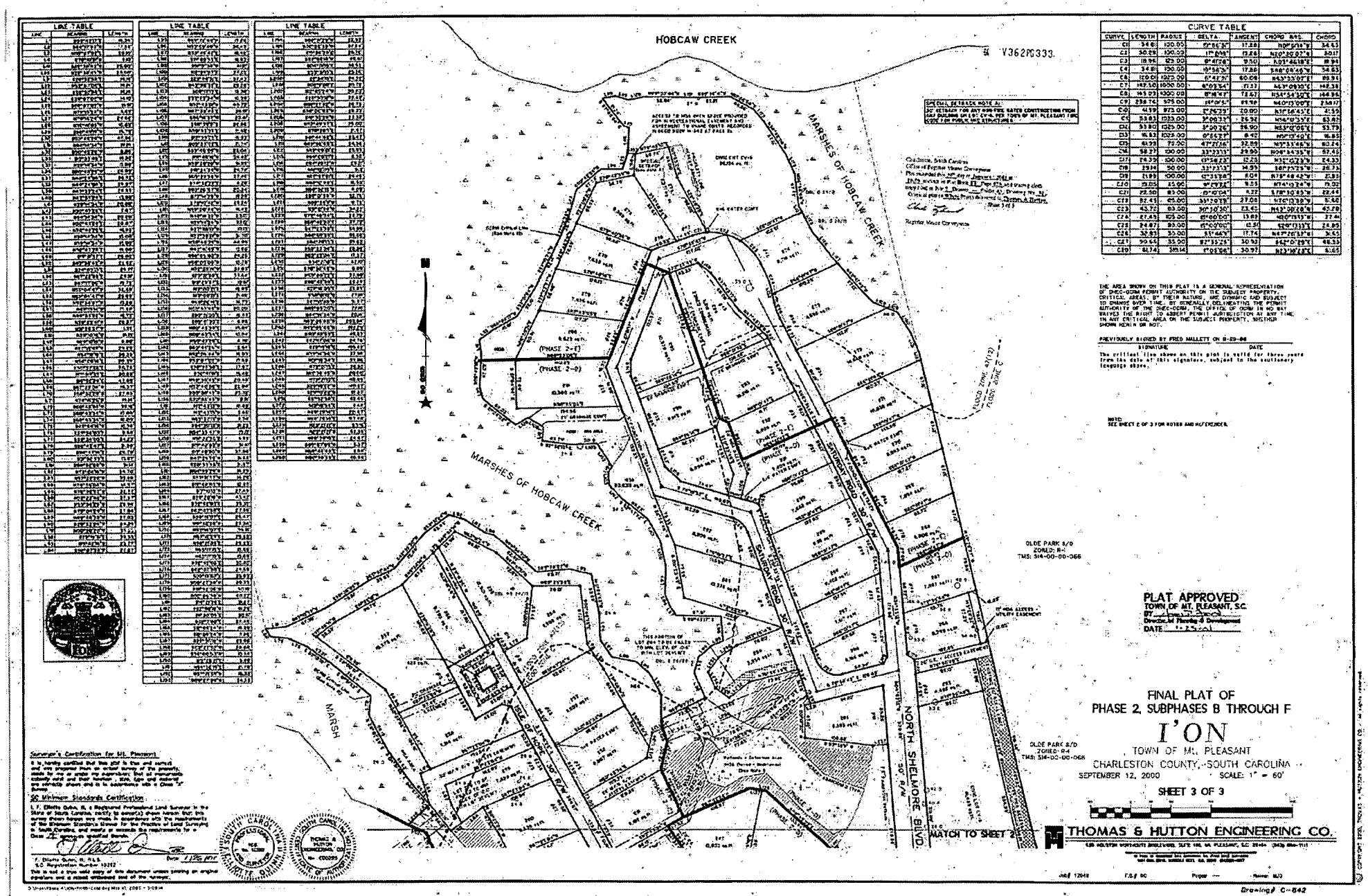
Would you send me a plat of the Creek Club lot CV-6? We are preparing to subdivide a parcel of this lot to the HOA to convey the pavilion dock. I believe T&H surveyed the dock and ramp locations and this would be helpful to add.

Thanks,

Chad




CURVE TABLE
HOBCAW CREEK
LINE TABLE
LEGEND:
IO IRON PIN OLD (SIZE AND TYPE NOTED)
IN IRON PIN NEW (5/8" ROD)
NOTES:
1.) THE PRESENCE OR ABSENCE OF U.S. ARMY CORPS OF ENGINEERS JURISDICTIONAL WETLANDS IS UNDETERMINED AS OF THE DATE OF THIS SURVEY.
2.) THIS PLAT REPRESENTS A SURVEY BASED ON THE LISTED REFERENCES ONLY AND IS NOT THE RESULT OF A TITLE SEARCH.
3.) THIS PROPERTY LIES IN FLOOD ZONE A7 EL 12 AS DETERMINED BY SCALING FROM F.E.M.A. F.I.R.M. 450417 , PANEL 0004E , DATED 10-17-81.
REFERENCES:
1.) T.M.S. 514-00-00-052
2.) PLAT BY THOMAS & HUTTON ENGINEERING CO. DATED APRIL 12, 1999 PLAT BOOK EE, PAGE 107-108 RMC, CHARLESTON COUNTY
CIVIC LOT CV-6
39,154 sq.ft.
SATURDAY ROAD
R/W VARIES
SITE PLAN OF
CIVIC LOT CV-6
PHASE 2-E, I'On
OWNED BY
THE I'On COMPANY
TOWN OF MT. PLEASANT
CHARLESTON COUNTY, SOUTH CAROLINA
APRIL 10, 2000 SCALE: 1"= 30 '
30 15 0 30 60 90
SCALE IN FEET
THOMAS & HUTTON ENGINEERING CO.
DRAWING No. B- 349



LINE TABLE

LINE	BEARING	LENGTH
L1	S89°43'03"E	49.94
L2	N89°07'31"E	77.19
L3	N89°27'39"E	53.90
L4	S89°43'03"E	5.60
L5	N89°27'39"E	25.60
L6	S89°43'03"E	53.90
L7	S89°27'39"W	79.79
L8	S89°43'03"E	49.94
L9	S89°27'39"W	79.79
L10	S89°43'03"E	49.94
L11	S89°27'39"W	79.79
L12	S89°43'03"E	49.94

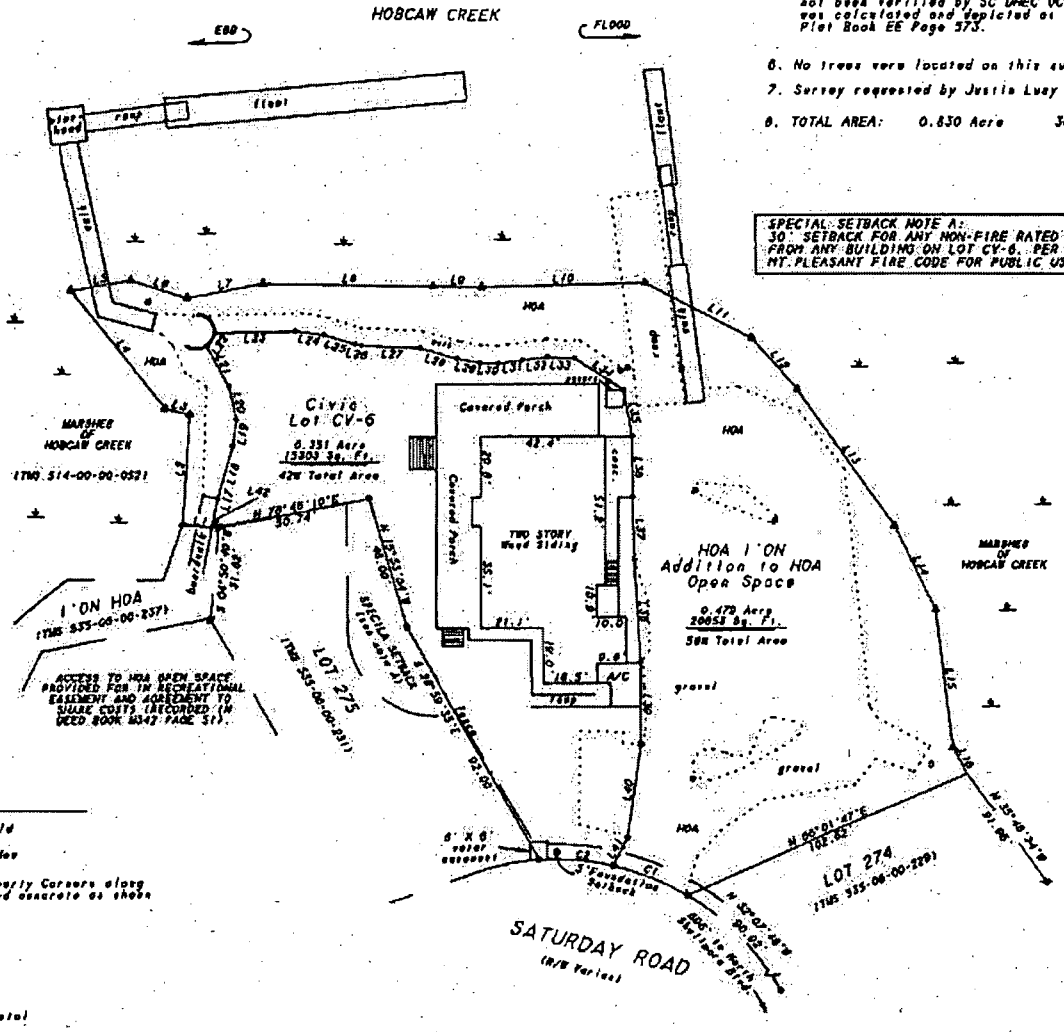
LINE	BEARING	DISTANCE
L1	N 85°37'13"W	9.54'
L2	S 06°29'36"W	37.48'
L3	N 74°53'22"W	8.38'
L4	S 37°45'54"E	31.24'
L5	S 80°20'07"W	20.36'
L6	N 73°14'26"W	10.58'
L7	N 79°10'42"E	25.34'
L8	N 69°00'44"W	38.94'
L9	S 69°00'44"E	16.43'
L10	S 86°36'41"W	35.31'
L11	S 61°56'54"E	40.56'
L12	S 40°18'53"E	24.17'
L13	N 34°48'06"W	57.13'
L14	N 25°14'24"W	52.12'
L15	N 06°36'46"W	47.72'
L16	N 27°39'01"W	10.13'
L17	N 19°37'47"E	10.17'
L18	N 15°33'29"E	18.53'
L19	N 07°43'53"E	6.82'
L20	S 12°14'34"E	11.69'
L21	S 27°43'30"E	13.47'
L22	N 60°44'27"W	2.49'
L23	S 86°33'03"W	39.46'
L24	N 61°49'16"W	9.49'
L25	S 72°32'10"E	9.56'
L26	S 77°17'24"E	3.49'
L27	N 86°53'30"W	90.01'
L28	N 74°08'31"W	12.82'
L29	S 77°35'24"E	7.72'
L30	S 87°41'17"E	9.36'
L31	N 61°00'48"E	8.34'
L32	N 83°17'25"E	8.53'
L33	N 67°07'00"W	9.22'
L34	N 56°38'37"W	19.40'
L35	S 10°17'06"E	16.14'
L36	S 00°07'37"E	90.68'
L37	S 01°22'14"E	21.78'
L38	N 03°34'01"W	35.13'
L39	N 00°01'09"E	28.16'
L40	N 07°56'40"E	39.97'
L41	S 27°16'29"W	10.46'
L42	N 63°37'13"W	2.20'

CURVE	Arc	Delta Angle	Chord	CB Bearing	Radius	Tangent
C1	26.69'	16°07'22"	26.77'	S 47°17'57"E	95.00'	13.36'
C2	27.94'	11°15'00"	27.44'	S 43°11'02"E	95.00'	13.87'

NOTES:

1. Reference Tax Map Number 535-00-00-230
2. Reference Plat Book EE page 573
3. Surveyor has made no investigation or independent search for easements of record encumbrances, restrictive covenants, ownership title evidence, or any other facts that an accurate and current title search may disclose
4. No underground utilities were located on this survey.
5. The Coastal Critical Line as shown hereon has not been verified by SC DHEC OCRM. The line was calculated and depicted as shown on Plat Book EE Page 573.
6. No trees were located on this survey.
7. Survey requested by Justin Lucy
8. TOTAL AREA: 0.830 Acre 36156 Sq. Ft.

SPECIAL SETBACK NOTE A:
30' SETBACK FOR ANY NON-FIRE RATED CONSTRUCTION FROM ANY BUILDING ON LOT CV-6, PER TOWN OF MT. PLEASANT FIRE CODE FOR PUBLIC USE STRUCTURES



LEGEND:

- 5/8" Iron Rod Old
- 5/8" Iron Rod New
- Calculated Property Corners along metal edging and concrete as shown hereon.
- Post
- Light Pole
- Marsh
- DHEC-OCRM Coastal Critical Line (Established 9/29/98)

Plat Of

Addition to HOA Open Space

I'ON . Phase 2, Subphase B through F

LOCATED

Town of Mt. Pleasant

CHARLESTON COUNTY, SOUTH CAROLINA

DATE: March 26, 2013 SCALE 1" = 30'

0 30 60

SOUTH CAROLINA PALMETTO LAND SURVEYING, INC. No. 00389 CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA REGISTERED JAMES G. PENINGTON IV SURVEYOR

To the best of my knowledge, information and belief, the survey shown hereon was made in accordance with the requirements of the Minimum Standard Manual for the Practice of Land Surveying in South Carolina, and meets or exceeds the requirements for a Class A survey as specified therein.

Reg. No. 10791

PALMETTO LAND SURVEYING, INC.

2005-D SAVANNAH HIGHWAY
SUITE 2
CHARLESTON, SC 29407
PHONE(843)571-5101

Fax No. (843) 571-7447
EMAIL: Palmetto1@bellsouth.net

6272.DWG

PLAINTIFF'S EXHIBIT 200

From: Chad Besenfelder
Sent: Tuesday, July 18, 2006 2:06 PM
To: Dave Rosengren; Cheryl Wilson
Cc: everettw@us.ibm.com; Lindsay Nevin; Andy Beck; Mandy Townsend
Subject: HOA Turnover Project
Attachments: Final to-do-list for the HOA turnover.doc

Dave and Cheryl,

The attached document lists items I have been working on to complete the HOA turnover project. Note that completed items are not listed so if you see something missing do not be alarmed. I will be dividing the development into the separate phases and should be ready to hand over Phase 1 very soon. I have hired Lawn O Green to create as-builds for many areas throughout the community and will take a few weeks to complete. Once completed I will be ready to hand over Phases 1, 2, 3, 4, 5, and 8. A few areas within these phases including the boat ramp and amphitheater, may be kept in I'On Company's ownership until easements of use can be determined and documented. Phase 6 has been turned over already however, a few improvements still remain. These improvements are scheduled soon after construction traffic decreases. We will update you later on Phases 7, 9, and 10.

Please feel free to contact me if you have any questions or concerns.

Thank you.

Chad Besenfelder
I'On Group



I'On HOA Parcel Turnover Project. Final to-do-list July 18, 2006

Phase 1:

- Soccer field irrigation as-builds including well information. Include information on playground equipment and post house.
- East Lake irrigation as-builds including boathouse. Include information on lake retaining walls.
- Complete walking path construction east side of East Lake.
- Ponsbury and Rialto Roads canal vehicle bridges. Include stucco warranty and bridge engineering documents.
- I'On Square irrigation as-builds include I'On Company's plan to improve raised planter beds. Include any warranty information on recent landscape or electrical additions.

Phase 2:

- Retention pond (2) information including retaining wall as-builds and irrigation pump information. As-builds for any irrigation systems will be included.
- Boat ramp and boat dock as-builds. Include erosion controls, dock and ramp construction documents, and irrigation systems. Public use easements will need to be determined to ensure access rights for both I'On Club members and residents.
- Saturday Road Island as-builds including landscape lighting and irrigation system.
- Marsh walk as-build including small parks, crab docks, and pedestrian bridges. Some electrical meter locations and irrigation boxes will need to be identified.
- Isle of Hope Road cul-de-sac as-build and complete path landscaping near lot 252.
- Ramble Park as-builds and play equipment information including post office/storage building.

Phase 4:

- Scramble Park as-builds and play equipment information.

Phase 5:

- Canal construction as-builds
- Pedestrian bridge as-builds and history. Krier Lane parking area as-builds and remove gator bags and determine irrigation system operations. Post house information.
- Amphitheater as-builds including irrigation, lighting, and structural documents.
- West Lake irrigation as-build, include information on lake retaining walls and boat ramp.
- Perseverance Park as-build, include Maybank Green and traffic circle. Fountain operation and utility locations (landscape lighting).
- Marsh walk as-build including small parks and pedestrian bridges.
- Frogmore Road pump station information including irrigation system. Slight improvements in path along lot 5-124.

Phase 6:

- Joggling Street Park improvements including Fountain Park curb repair and cul-de-sac park landscape improvements.
- Landscape improvements for marsh walks near lot 6-50 and 6-54.
- Street and sidewalk repairs include street trees if applicable.
- Steep grade of marsh walk near pedestrian bridge lot 6-50 improved.

Phase 7:

- Transfer deed for common areas including marsh walks, access lanes, Georgetown Park, and Memorial Park.
- Repair or install planned street lights and replace damaged signs.
- Improve pedestrian bridge railing near lot 7-14.

Phase 8:

- Ionsborough Street Park improvements including screening utility board of Heinlein Park and landscape improvements for Ionsborough Square.
- Street and sidewalk repairs include street trees if applicable.
- Improve drainage problems north end Ionsborough access lane, create TMS# for lane and deed to HOA.

Phase 9:

- Transfer deed for common areas including cul-de-sac park, buffer area, and marsh walk.
- Cul-de-sac and marsh point parks as-builds.

Phase 10:

- Transfer deeds for common areas including triangle park and access lanes.
- Triangle park as-builds.

From: Chad Besenfelder
Sent: Thursday, April 19, 2007 5:14 PM
To: Vince Graham; T Graham
Subject: RE: Creek Club Options

It could not function as it does now. My thought was to eliminate the financial need to host larger outside events. HOA buys the club in full and thus provides a low operational cost and unrestricted community center.

Another theory is that with reduced parking, people would walk. However, you need some parking for the few larger events i.e. the HOA annual meeting. The January meeting had about 100 people and few used the overflow parking area. Many walked, others parked in the small lot, others parked on the street.

My theory is most community events are small including biz-net meetings, clubs, family parties, trust meetings, HOA board meetings, etc. From my experience, the small lot should have plenty of space for those events.

Rarely the HOA would host a large event such as a resident daughter's wedding or Uncle Jack's retirement party. In this case, we may have enough spaces on the street and smaller lot. There is room to add 5 or 6 spaces at the small lot, which will total 24 spaces. Lot 294 has 5 spaces designated for club parking and Saturday Road loop now has 39 official spaces. Average wedding has 3 people per car, all totaling 204 people. Of course, many residents use street parking so it may be necessary to reduce street space count by half.

Would it be feasible to cap events to 150 people? That really is the ideal size for the facility. Exceptions could be the host arranges for small bus services or other means of group transit. Our 10-year anniversary party had about 300 people, I counted 8 cars on Maybank Green and they were all I'On Employees. Most people walked.

Currently, a larger club event of 200 to 225 people would use most of the overflow parking lot, which accommodates 50 spaces.

From: Vince Graham
Sent: Thursday, April 19, 2007 3:27 PM
To: T Graham
Cc: Chad Besenfelder
Subject: RE: Creek Club Options

I like the ideas y'all have put forth, but wonder how the CC can be functional without the parking lot. Chad, in the event of a large 200-250 person event, how is parking currently handled?

From: Tom Graham [mailto:ThomasC.Graham@comcast.net]
Sent: Thursday, April 19, 2007 6:22 AM
To: Chad Besenfelder; Vince Graham; Mark Lipsmeyer; Kimber McFadden
Subject: Re: Creek Club Options

Initial thoughts: What if sale of Creek Club to HOA were tied to ***additional*** lot entitlement to enable 5 or 6 lots on the CV-5 parcel — with added $60K/lot "donation"?
Wouldn't HOA 50% share of 5-lot add be $150,000 which would enable HOW to pay $750,000+ for the Creek Club — which might be more palatable to us?



From: Chad Besenfelder <chad@iongroup.com>
Date: Wed, 18 Apr 2007 19:05:29 -0400
To: Vince Graham <vince@iongroup.com>, Mark Lipsmeyer <mark@iongroup.com>, Kimber McFadden <kimber@iongroup.com>
Cc: T Graham <thomasc.graham@comcast.net>
Conversation: Creek Club Options
Subject: Creek Club Options

Okay, we have three options for the HOA community center, attached. 1) Sell them more Creek Club rentals, 2) sell them a parcel on the overflow parking lot and they build a small building, or 3) sell them the Creek Club which they may not afford.

An additional option is selling the HOA the Creek Club for a reduced rate but not including the overflow parking lot. We take the parking lot and divide into 5 lot or 6 lots. These are my thoughts:

Pros:

- The Creek Club will remain a civic building that community wants and can use forever. PD amendment approval?
- HOA could agree to limit the clubs use to I'On events/residents only, reducing the parking requirements.
- The HOA will have operating costs only and would not rely on outside sales (large weddings) to absorb costs.
- Maintenance costs would be lower for the HOA, no large events each weekend.
- The HOA gets the infamous boat ramp and docks
- Split the overflow parking into 5 larger lots consistent with Saturday Road, there is room for an access lane and the Oak Trees are awesome.
- Residents on Saturday Road would have a parade celebrating less drunks and traffic congestion. Could be a seller for those who think proposed Phase 11 will produce too much traffic.
- We get out of the rental business. Hooray!

Cons:

- Not sure about rezoning, although I think the town would prefer homes rather than a non-tax producing ugly parking lot.
- How much can we sell the lots for, I am guessing $245K each? $1.225 million? Is this enough to offset the reduced sale amount of the club at, let's say $560K. Ouch, I knew that hurt you Vince, but it may work in our advantage.
- We will incur some infrastructure costs, alley lane and utility services. Maybe $40 to $50K
- We may not have enough lot permits left. Possible solution: Keep CV-10 civic, possible park for school or more parking. Convert CM-9 to three residential lots as planned, convert CM-12 to residential as planned, convert CV-8 into two residential lots, convert CV-5 into 5 residential lots with a small passive park under the oaks, keep Jefferson canals as-is. This will bring us up to 762 total residential units.
- Concerned about taking parking away from Creek Club, but we are a pedestrian friendly community. So do as God intended, drive golf carts. We may have room to add spaces to the existing parking area next to the club.
- We would reduced exposure if we limit outside weddings. Perhaps the HOA could host weddings to I'On residents/friends at a limited capacity. Do we need this additional exposure when we make the deal?

Just a thought. What do you think?

Mark and Kimber, I would like to keep the idea of selling the club quiet for now. Thanks.

Chad Besenfelder

The I'On Company

159 Civitas Street

Mount Pleasant, SC 29464

843-284-2129

From: Pam Gabriel
Sent: Tuesday, May 01, 2007 4:14 PM
To: Chad Besenfelder
Subject: I'On Facilities

Here's the list of those venues being transferred to the I'On Assembly

Use of I'On Facilities

The Boat Ramp:

- I'On residents (and possibly Old Park resident) to launch boats
- Photographers for great sunset and marshland photographs.

The Amphitheater:

- I'On Trust - various community functions, i.e. concerts, movies, art events
- I'Onissimo concerts - a neighborhood group of musicians
- Montessori School – student presentations
- First Friday – a neighborhood social event
- Residents – for launching kayaks, feeding ducks, relaxing

I'On Square:

- I'On Biznet – local business sponsor Market Day on Thursdays in May and October and in December for a Holiday Market
- Montessori School – student presentations
- I'On Trust – July 4th and St. Patty's Day events
- Square Onion – patrons of this popular deli/catering service use this area for outside dining
- Play area for children as parents gather and chat



From: Chad Besenfelder
Sent: Thursday, July 19, 2007 6:53 PM
To: T Graham
Subject: FW: Some Thoughts on the PD Amendment

I wrote this rather quickly and will check for errors later. Please let me know if you have any suggestions. I wanted Ward to understand that we are working with the board attentively, which keeps us all rather busy. There is no need to add insignificant requests to the PD Amendment. If we give in, who knows what they will ask for next.

I will look for your email tomorrow. Thanks Tom for your help on this one.

From: Chad Besenfelder
Sent: Thursday, July 19, 2007 6:36 PM
To: Tom Graham
Subject: RE: Some Thoughts on the PD Amendment

Hello Ward. I hope you are well. I notice the crews working on Maybank Green irrigation. I hop the new adjustments improve conditions.

Please see my responses below. As always Ward, I thank you for your continued involvement and insight. TIC will need to delay the PD Amendment presentation scheduled July 25 but I will attend the board meeting to discuss any concerns you may have.

From: Ward Mundy [mailto:ward@mundy.org]
Sent: Tuesday, July 17, 2007 12:54 PM
To: Chad Besenfelder; Vince Graham; T Graham
Cc: bod@ionvillage.net
Subject: Some Thoughts on the PD Amendment



Dear Chad, Vince, and Tom,
We've all invested a lot of time and energy in the Phase 11 proposal, and I wanted to put a few issues we haven't discussed on the table before we meet on July 25. These are not board requests, just some things I think we all need to consider. The rest of the Board is seeing these for the first time just as you are.

I know all of you are as deeply committed to the long-term health and prosperity of I'On as is the Board. And I'm sure you appreciate better than any of us that trying to get a consensus with old-time residents, new residents, $350,000 homeowners, $3 million homeowners, working homeowners, retired homeowners, families with kids, Empty Nesters plus the Assembly Board, the Trust Board, two churches, and a public school is a daunting task. Here are some things I think we all need to agree upon up front before any new construction or development begins.

The traffic issues need to be addressed and resolved before any PUD Amendment-related new construction begins. This includes fixing the 17' streets to allow parking, creating the new Muirhead entrance, and creating some sort of additional exit on the Charter School side of the neighborhood to relieve the congestion that is going to accompany a much larger school with at least 95% carpooling twice a day. A right-turn-only exit on Mathis Ferry would cause very little disruption, and those desiring to head north could easily make the transition at the Shelmore roundabout. The I'On Company is donating a large pot of money to the school. A good neighbor would use some of that to relieve the traffic congestion caused by the newly constructed, much-larger-than-envisioned schoolhouse. We also need agreement that all new construction traffic including the cement business will use the Muirhead exit exclusively. Fines need to be put in place to make sure this happens. We also need a short timetable for the construction company to leave the neighborhood. We've all turned a blind eye to this, but this is a residential neighborhood, and they need to find more suitable accommodations.

I recently met with the Town of Mount Pleasant and presented a plan for a new Club entrance off Mathis Ferry Road. I have contacted the SCDOT and we are in the process of applying for an encroachment permit. SCDOT will require traffic

studies and detailed plans. TIC agrees that an additional entrance for the school and club would be helpful. We have considered a right-turn-only entrance and we will explore ways to fund this project including school contribution.

We agree that an entrance off Muirhead will benefit I'On residents. I recently met with engineers and we have begun drafting a roundabout near future Phase 11. This entrance will connect Muirhead Road with Mobile and Jane Jacobs Street. This entrance directly affects our Hobcaw neighbors and we must make effort to properly inform them of this idea and effectively present the benefits for both communities. I began meeting with few residents of Hobcaw and town planners to get a feel how they would react to such a proposal. This is still a heated subject. I also met with Fire Chief Williams and he agreed that the entrance would help reduce emergency response time but was not in the position to endorse. I have mentioned before that the HOA will need to lead this campaign.

TIC has met with the fire department and concluded that mountable curbs would accommodate both on-street parking and emergency vehicle access. We explored several types of curb design and engineers are now finishing details on a curb that is both functional and eye pleasing. Gulf Stream Contractors have submitted proposals and we will apply for town permits this month. Construction should begin in August.

AB Evans reduced Phase 11 staging area last year and we plan to reduce the area again this summer. We will keep this area operational as long as there is a development need and we will work with AB Evans to keep this area as clean as possible. The town ordered the construction entrance closed last December. Perhaps during our next meeting we can discuss ideas that may influence the town to reopen the entrance for construction.

I'm probably the biggest proponent for the community acquiring the Creek Club for community use. However, the Creek Club without the overflow lot would generate some new issues. First, it would be a double-whammy for those living on Saturday Road. Not only would they continue to get the Creek Club traffic and parking problems, but now they would have to deal with five new homes under construction that are considerably different in character and size than the rest of that neighborhood. Second, lack of parking would greatly reduce the neighborhood's ability to derive revenue from wedding party events which appear to be the bread-and-butter business model for the current club operation. Third, zoning for use of the Creek Club may be put in jeopardy if there weren't adequate parking to accommodate the types of functions planned for the facility. And finally, I think it makes sense to structure the Creek Club deal as a separate offer so that the community is protected regardless of whether or not the PUD amendment gets approved. That would leave the Assembly the flexibility to borrow funds to make the purchase in the event the neighborhood agrees that this should move forward regardless of the PUD amendment outcome.

I have received mix responses from Saturday Road residents and it may be the board's obligation to conduct a survey to factually evaluate their concerns. We will need to monitor future events and determine parking requirements based on event size and schedules. It is our hope that the HOA would limit the number and size of events based on available parking and reduced operational costs. I will be happy to create a pro forma that may help the HOA understand the costs and potential revenues associated with rentals.

It may work best to separate the Creek Club deal from the PD Amendment. TIC was simply responding to the boards request to address the community building issue prior amendment vote. Please note that the current Creek Club deal requires rezoning and will most likely require PD Amendment.

We've all heard from a parade of supporters about the good things that would be made possible by large donations to the school and the two churches, but the churches and the school need to appreciate that this is a two-way street. None of them pay taxes or a dime toward the maintenance (much less the betterment) of the I'On Community. They use the streets and sidewalks, our playgrounds, and our soccer field without compensation. There needs to be an equitable quid pro quo. I am told that indemnity agreements were always in place when the I'On Company owned these facilities. Somehow those got lost in the shuffle. We need them back for the financial security of the neighborhood. In addition, a commitment by the churches and the school to provide free meeting facilities for community events and programs on a regularly-scheduled basis needs to be agreed upon before this proposal moves forward. We all can think of dozens of reasons why someone ought to give us $700,000. Equal time needs to be expended defining what these new neighbors could give back to make I'On a better place... in addition to the nurturement of our souls and our children, of course.

I would be willing to meet with the board and discuss more. I agree with you that indemnity agreements between the different entities may be helpful as long as they are fair and easy to interpret. I wise person once told me, some people are contemptuous of humankind. Our country's founders understood this and wrote documents to protect the liberties of people from others who would like to run their lives for them. Thanks to our forefathers for such great insight.

I suggest we meet with the board, churches, and school and determine what the community and each organization actually needs. It would be difficult to negotiate with out this information.

Finally, I think we need a date certain that developer activity will cease. After that date, the I'On Company would still own (and could sell) any unsold lots. But the lots would take on the character of every other lot in I'On. And the lot owner would pay the same fees and

expenses as every other lot owner in I'On. In addition, architectural review would become the responsibility of the Assembly. The developer also would relinquish control of the I'On Bylaws and other regulations. In addition, in exchange for the Board's support of this PUD amendment, the developer would agree that no further zoning amendments would be proposed for I'On. Five more years of developer activity seems more than reasonable based upon the sales forecasts that have been presented.

It is hard to determine a date that developer activity will cease. Many different factors determine development schedule including sales, town permits, and the PD Amendment. We might want to consider turning over control of those phases where all homes have been complete provided the Assembly can assure us they have a capable review board, which understands Code. Another option might be to turn over control of new additions, landscaping, garages, etc... on lots that have already been built. The only amendment opportunity we would like to reserve is height variance. Currently, I'On homes are limited to a height of 38'. We reserve the opportunity to try & increase this height to 41' to make it consistent with other neighborhoods in Mt. Pleasant. This minor change would enable higher ceiling heights for new homes, thus improving proportions & overall appearance. I am not sure about relinquishing control of the I'On Bylaws and will discuss with the Grahams.

I hope you'll consider these suggestions in the spirit in which they are offered. We all want I'On to be a one-of-a-kind neighborhood. And it's in the best interests of the I'On Company to make the PUD amendment and developer transition a positive one.

Many thanks Ward for the email. I recall a number of these questions addressed in May. As I mentioned earlier today, it would be helpful if the board would communicate with us as one voice in order to more effectively respond to all of your concerns.

I would like to remind you that TIC responded to the boards request to resolve the 17-foot street parking restrictions, support a transfer fee, and address the need for a community building before a vote for PD Amendment. These three concerns have been a TIC focus for several months. The only changes I planned for the PD Amendment was Phase 11 design and the overflow parking lot rezoning included in the Creek Club proposal. I suggest we address these additional requests during the July 25 board meeting.

Best regards,

Ward Mundy

From: Chad Besenfelder
Sent: Monday, August 20, 2007 8:58 AM
To: 'Vince Graham'
Subject: RE: creek club

I spoke with Mike and this may be a good backup plan. I am calculating costs of operation now and we can discuss this option later.

I feel we should still move forward with the Creek Club overflow parking area conversion.

-----Original Message-----
From: Vince Graham [mailto:vince@grahamholdings.com]
Sent: Saturday, August 18, 2007 5:34 PM
To: MRUSSO7465@aol.com
Cc: Chad Besenfelder
Subject: RE: creek club

Thanks for your interest Mike. We would definitely be interested in discussing this with you if nothing pans out with the Assembly board.

Hope your planning efforts are proceeding well.

Vince

-----Original Message-----
From: "MRUSSO7465@aol.com" <MRUSSO7465@aol.com>
To: "vince@iongroup.com" <vince@iongroup.com>
Sent: 8/15/07 11:21 AM
Subject: creek club

I understand you are considering giving the Creek Club to the HOA. If this deal does not work or you are interested in another option I would love to speak to you about either a purchase or a long term lease with the understanding that we operate the facility as it operates now. Myself and/or the group that is going to build and operate The Inn at Ion and Jacobs Kitchen are very interested in discussing this with you.

Respectfully

Mike Russo

********** Get a sneak peek of the all-new AOL at http://discover.aol.com/memed/aolcom30tour



From: Chad Besenfelder
Sent: Tuesday, September 09, 2008 4:29 PM
To: Vince Graham; T Graham
Subject: FW: Creek Club
Attachments: Re: Creek Club

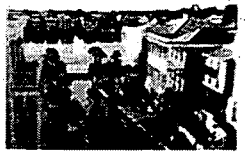
See Wards email below and attached Matt's email. Appears that someone mentioned a contract.

I suggest this response. Please send me your comments.

The I'On Company has not sold or initiated the sale of the Creek Club. Several parties have expressed interest to buy or lease the property in the past. We will continue to explore options for the Creek Club as we have been for sometime and will inform the Assembly in the event a more serious probability develops.

Chad Besenfelder
159 Civitas Street
Mt. Pleasant, SC 29464
Direct: 843.284.2129
Fax: 843.971.1664
Email: chad@iongroup.com
Website: www.iongroup.com

I'ON



From: wardmundy@gmail.com [mailto:wardmundy@gmail.com] **On Behalf Of** Ward Mundy
Sent: Tuesday, September 09, 2008 3:53 PM
To: Chad Besenfelder; Matt Walsh; Bruce Kinney; Sheri Cooper; John Powers; Barbara Fry
Subject: Re: Creek Club

And you would tell us if the Creek Club and I'On Club were "under contract", wouldn't you, Chad?? My understanding is that they are, in fact, under contract or an option to purchase, lease, or rent. I am sure you understand that no one appreciates getting half (or less) of the story.
--wm

On Tue, Sep 9, 2008 at 2:49 PM, Ward Mundy <ward@mundy.org> wrote:



How 'bout rented or leased??? Just want everyone to be on the same page. Thanks, Chad.
--wm

From: Chad Besenfelder <chad@iongroup.com>
Date: Tue, 9 Sep 2008 14:42:26 -0400
To: Matt Walsh <matt.e.walsh@gmail.com>, Bruce Kinney <bkinney94@gmail.com>, Sheri Cooper <Sheri.cooper@gmail.com>, Ward <ward@mundy.org>, John Powers <john.j.powers@gsk.com>, Barb Fry <brbfry@comcast.net>
Conversation: Creek Club
Subject: RE: Creek Club

Matt,

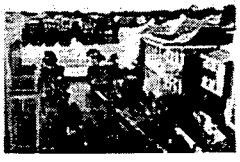
The I'On Company has **not** sold the Creek Club to Mike Russo. I am sure you understand that no one should perceive rumors as fact. I work to keep the I'On Assembly informed of development news and will continue to send the HOA Board monthly updates.

Thank you for the email.

Chad

Chad Besenfelder
159 Civitas Street
Mt. Pleasant, SC 29464
Direct: 843.284.2129
Fax: 843.971.1664
Email: chad@iongroup.com
Website: www.iongroup.com <http://www.iongroup.com/>

I'ON



From: Matt Walsh [mailto:matt.e.walsh@gmail.com]
Sent: Tuesday, September 09, 2008 1:14 PM
To: Chad Besenfelder; Bruce Kinney; Sheri Cooper; Ward; John Powers; Barb Fry
Subject: Creek Club

Chad,

There are rumors circling around that the Creek Club has been sold to Mike Russo. I think the neighborhood needs clarification on this from TIC. Can you provide any information that could be shared with the Assembly either confirming or denying these rumors?
Thanks,

--

Matthew Walsh
[redacted]

From: Chad Besenfelder
Sent: Tuesday, October 14, 2008 10:37 AM
To: Vince Graham; T Graham
Subject: Creek Club Sale

I met with Mike Russo today and reviewed our strategy for TOMP meeting Thursday afternoon. We are meeting with Joel Ford, Christiane Farrell, and Kent Prause. The town officials have met with residents regarding the Creek Club sale and they were anticipating our meeting request. Seems property owners are all over the board when it comes to the sale of the club. The town only cares about one thing; is the Creek Club operating as civic and can it be sold and continue to be civic? Mike and I are worried that the town will not approve the sale. We need an absolute yes from the town agreeing with out doubt that the Creek Club is a neighborhood clubhouse that serves the I'On citizens and community affairs.

This is what we propose:

1. Do not separate the docks from the Creek Club at this time. The docks are certainly the most civic part of the operations and no property owner or town official would be able to dispute this.
2. Mike has agreed to give the property owners perpetual easement to the ramp/docks. Mike is willing to work out all the details with the HOA. Just think of the legal fees we will save alone.
3. We may ask to separate the docks later if needed but at this time, I feel both property owners and Mike wish to keep it as is.
4. Mike and I will present the sale as a transfer of ownership from developer to an I'On property owner and will continue to operate the facility as it has been since opening.
5. Mike wants this deal to work and he is willing to give the property owners what they want including resident access to club for community events, access to docks and ramp, security, and higher level of service and maintenance.

We also have an interesting back up plan. The residents of Saturday Road have proposed a group ownership including Mike Russo. Mike operates the rental facility business while the residents have a part in the operation and future protection of civic use. The HOA Board is not aware of this proposal and we would like to keep it this way for now. This is just an idea that we may use if the town does not go for our initial plan.

Again, Mike and I feel that if the docks are separate from the Creek Club it will have a negative impact on the town's definition of civic use. I need to hit a homerun Thursday so please consider this proposal. I am not sure the town will agree that club is civic without the docks.

Send me your thoughts. We are getting so close to selling this club.

Chad



From: Tom Graham <ThomasC.Graham@comcast.net>
Sent: Monday, January 05, 2009 8:14 PM
To: Chad Besenfelder; Mike Russo
Subject: FW: Matt Walsh - Creek Club easement and HOA meetings

Chad,

Mike and I spoke this afternoon and addressed the Easement issue. As I confirmed with Mike, the I'On Club will not modify HOA easement while Creek Club is under contract for sale to Mike. I told Mike that Matt Walsh had called Eliza Lacey to rent meeting space in the Creek Club for 2009. I directed Eliza to limit Creek Club rental commitments to the HOA to just the first quarter of 2009 — on the same terms as most recent rentals -- $150/weekday (Monday-Thursday). Club can continue advance rentals to HOA on quarter to quarter basis for the time being — until Creek Club purchase timing is confirmed.

Unless there are other issues we need to jointly discuss, let's cancel the meeting tomorrow.
--
Tom Graham
[redacted]

------ Forwarded Message
From: Tom Graham <ThomasC.Graham@comcast.net>
Date: Mon, 05 Jan 2009 08:45:53 -0500
To: Mike Russo <mrusso7465@aol.com>
Conversation: Matt Walsh
Subject: Matt Walsh

> Mike, Let's you and I meet together to discuss this easement issue before I respond to Matt Walsh. Possibly this afternoon or tomorrow?
> --
> Tom Graham



[redacted]

[redacted] Forwarded Message
From: MATT WALSH <matt.e.walsh@gmail.com>
Date: Sun, 4 Jan 2009 18:31:56 -0500
To: Tom Graham <ThomasC.Graham@comcast.net>
Subject: Time for a call this week?

Tom,
Happy New Year! I hope you are well. Do you have some time to talk on the phone this week re: the current recreational easement that governs the creek club usage?
I will be in Omaha through Thursday but could talk by phone, or in person on Friday. Please advise what suits your schedule.
Thanks,

--
Matthew Walsh
[redacted]
<'}}}}}<

------ End of Forwarded Message

------ End of Forwarded Message

From: Tom Graham <ThomasC.Graham@comcast.net>
Sent: Tuesday, February 24, 2009 5:20 PM
To: Vince Graham; Chad Besenfelder
Subject: Re: Creek Club issues

My preliminary take on these issues:

Reading minds and discerning motives behind pronouncements leads me to project the following discontent issues:

1. Anxiety over future Creek Club operations under a new owner. (expressed fears included "sky is falling" claims of weddings 365 days per year; uncontrolled drunk drivers; residents squeezed out of event venue, etc.) Matt Walsh told me that he thought that if I'On Club and Russo would go along with cross-use easement changes desired by Catherine Templeton's crowd, that they would drop their objections to current use.
2. Some residents remain angry that the I'On Club arbitrarily took away boat trailer parking privileges, in order to accommodate wedding events.
3. Some residents (including Susan Simpson, lot-276) claim that Creek Club wedding event use was not disclosed when they purchased in I'On and I'On sales agents misrepresented I'On amenities.
4. William Hamilton raged that small public community meeting facilities which could comfortably accommodate 10-20 chairs are no longer conveniently and cheaply available in I'On.
5. William Hamilton raged that the Creek Club was no longer available free or at nominal cost for community events on the weekends.

- Bruce Kinney has told me that he's tired of dealing with the Creek Club controversy and is ready for Mike Russo to fish or cut bait. He'd like for Russo to agree to sign a revised joint-use easement. I understand from talking to Mike and Bruce that they are very close to a mutually acceptable agreement.
- Russo proposed to include a small community meeting room — which would apparently satisfy Hamilton's specs — on lot 275 as part of a B&B extension.



- Bud Swedloff proposed that a community meeting room be included as part of an office building on the Civitas lot where Montessori School trailers were previously located.
- The Montessori School, the Orthodox Church, and I'On Realty have small meeting room venues. Jacob's Kitchen might, also, be able to accommodate community meetings.
- I doubt the economic viability of a single-purpose community meeting house in I'On. Existing venues might be available for advance bookings at reasonable fee to serve community and other meeting needs. Such arrangement would require coordination and possibly centralized scheduling.

On 2/24/09 2:29 PM, "Vince Graham" <vince@iongroup.com> wrote:

Can meet tomorrow at 10.

From: Tom Graham [mailto:ThomasC.Graham@comcast.net]
Sent: Tuesday, February 24, 2009 11:00 AM
To: Vince Graham; Chad Besenfelder
Subject: Creek Club issues

Meet this afternoon to discuss Creek Club issues, resolve next steps & determine who does what?

1. Is Russo moving forward with Creek Club contract? (Inspection period scheduled to end this Saturday).
2. appropriate action to address resident dissatisfaction?
3.

From: Chad Besenfelder
Sent: Friday, March 13, 2009 4:26 PM
To: T Graham
Subject: Olde Park Agreement
Attachments: DOC001.PDF

See attached document. It is a letter from Olde Park reviewing the proposed club/dock use agreement. I do not have a recorded agreement or one signed by both parties.

I wish I could help more. Do you want me to perform a record search?

Chad Besenfelder
159 Civitas Street
Mt. Pleasant, SC 29464
Direct: 843.284.2129
Fax: 843.971.1664
Email: chad@iongroup.com
Website: www.iongroup.com

-----Original Message-----
From: scans@iongroup.com [mailto:scans@iongroup.com]
Sent: Friday, March 13, 2009 12:21 PM
To: Chad Besenfelder
Subject: Scan from a Xerox WorkCentre

Please open the attached document. It was scanned and sent to you using a Xerox WorkCentre.

Attachment File Type: PDF

WorkCentre Location: machine location not set Device Name: XRX0000AA7CC63C

For more information on Xerox products and solutions, please visit http://www.xerox.com



Joe Griffith, Inc., REALTORS

[redacted] • Charleston, South Carolina 29401
310 Meeting Street (803) 577-2230

FAX To Joe, Tom Geoff. Return to me to read 2/23

February 19, 1999

Mr. Vincent G. Graham
[redacted]

Re: Proposal from GR, LLC for access to the I'On Sewer, Club Facilities & Boat Ramp/Community Dock

Dear Vince,

I am writing to you in response to your proposal dated December 8, 1999 relating to the access to the above-mentioned amenities currently located or planned at I'On.

As you know, we recently purchased the Mevers tract and the new ownership entity is GR, LLC. After our recent meeting, I discussed your proposal with the new owners for their comments and response. They have indicated an interest in pursuing this proposal but would request a modification to some of the terms and conditions of your proposal.

We discussed your suggestion regarding the access from Mathis Ferry Road to our project. While this suggestion may have merit, it is not economically feasible for our development as we have reduced the number of lots to approximately 110-115.

The proposal regarding the access connections from our property to I'On is acceptable as stated in the section Proposal, items 1.,2.,3.,& 4. The condition stated in item 3. will be contingent upon the design and location of the access connection point(s) being accepted and approved by the Town of Mount Pleasant. GR, LLC reserves the right to approve or reject any access connection location and design recommended by the I'On Assembly.

The sewer lift station and off site improvements will have the capacity to accommodate our project and will be co-ordinated with our engineers at Seamon-Whitesides and Associates. Sewer lift station and off site improvements shall meet the Town of Mount Pleasant requirements.

The Club Facilities are to include the following amenities in Phase I : 1.) Minimum of six (6) lighted clay tennis courts; 2.) an 8 lane by 25 yard swimming pool with removable bubble for year round swimming; 3.) Kiddy pool; 4.) Locker and bath facilities; 5.) 3,600 square foot Creek Club located on the waterfront park on Hobcaw Creek. Additional phases of the Club Facilities are to include additional tennis courts, pool, and other meeting halls.

The boat ramp and community dock will be available to our property owners for an annual "key deposit" of $25-50.00.

It is our understanding that the I'On Club will be limited to 850 members which would include our 110-115 property owners. Our property owners will pay an initiation fee and annual dues in accordance with the lot owners in I'On. Each member will have access to all facilities and will have first priority and discounted rates for the Creek Club.

GR, LLC will pay a total of $435,000 for the above-mentioned facilities and sewer tie-in based on the following breakdown:

1.)	Sewer Tie-In	$ 85,000
2.)	Club Amenities entitlement	$385,000
3.)	Boat Ramp/Community Dock	$ 25,000
Total		$435,000

The terms of the proposal are as follows:

Initial Deposit -Upon Site Plan Approval from Town of Mount Pleasant	$ 50,000
Contribution of Residual Land -Upon obtaining subdivision of residual land and recordable plat	$ 50,000
Land Disturbance Permit -Approval by Town of Mount Pleasant	$100,000
Upon Fifty (50%) Percent completion of Club Amenities and Boat Ramp/Community Dock	$117,500
Upon One hundred (100%) percent completion of Club Amenities and Boat Ramp/Community Dock	$117,500

As part of its compensation offer for the above-mentioned package, GR, LLC will transfer ownership of the residual land (approximately .94 acres) adjacent to I'On to The I'On Company at a value of $50,000. The property is shown on the attached proposed site plan. The transfer will occur when the property can be subdivided and can be formally transferred under the regulations of the Town of Mount Pleasant. We will submit this item to the Town as soon as possible and try to get approvals immediately.

In addition, The I'On Company will provide to GR, LLC final approved plans (Phase I) for the Club Amenities and Boat Ramp/Community Dock and a construction schedule for the completion of this project. The above-mentioned construction is to be completed within eighteen (18) months from the execution date of the formal agreement or GR, LLC shall have the right to terminate the agreement and have all monies refunded.

If these terms and conditions are acceptable to you, please indicate by your signature below. Upon mutual agreement by both parties, The I'On Company will have a more formal document prepared for execution.

Sincerely,

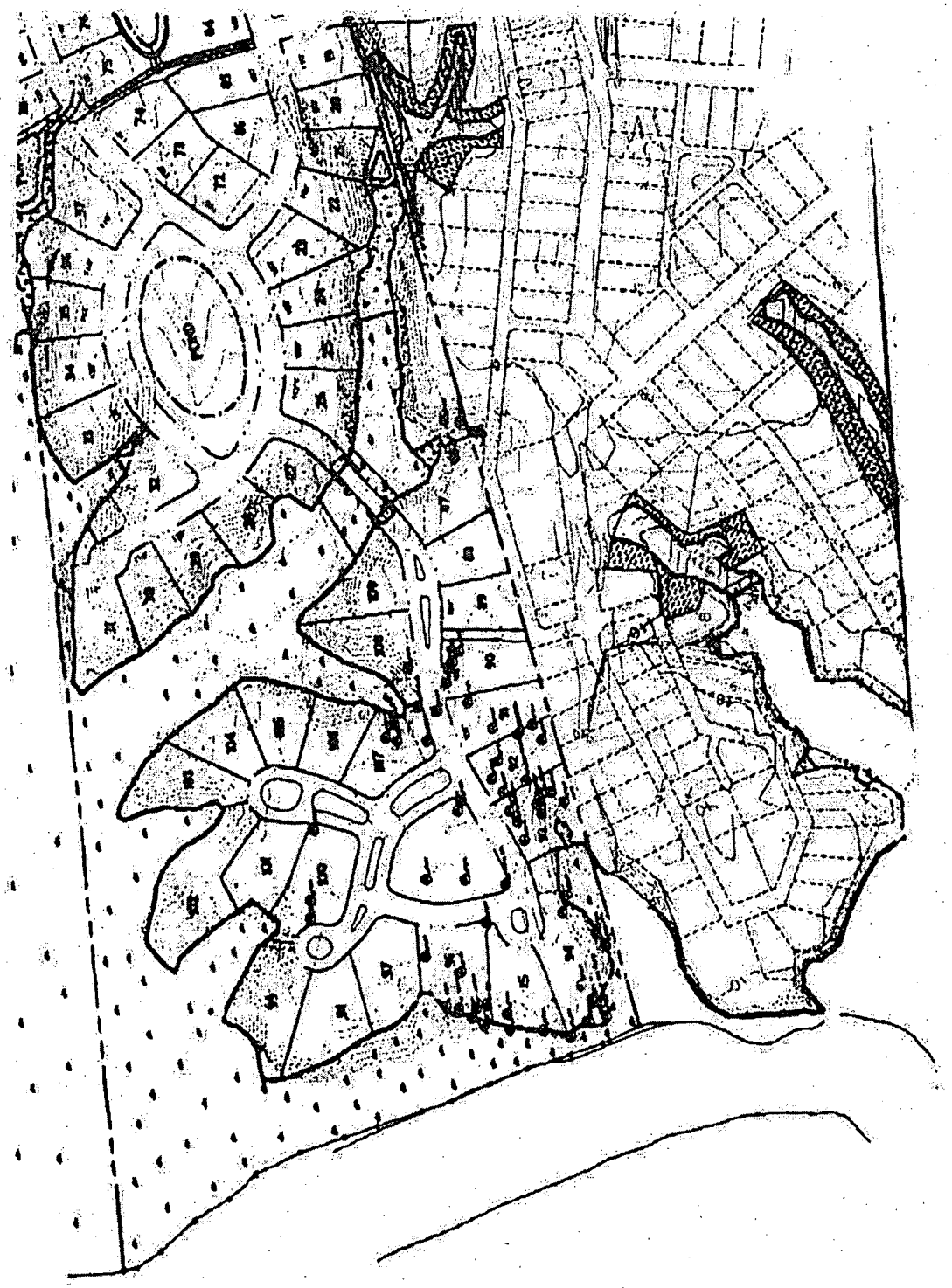
Louis E. Griffith
Broker in Charge

Accepted and Agreed:

_____ _____
Date

cc: Joseph P. Griffith
Joe Rice

RECORD ON APPEAL 2945





From: Vince Graham <vince@iongroup.com>
Sent: Saturday, March 14, 2009 2:59 PM
To: T Graham; Chad Besenfelder
Subject: Re: "Creekside Park"

Don't recall specifically, but it was probably due to the Assembly not wanting to bear the cost/responsibility by themselves.

From: Tom Graham
To: Chad Besenfelder
Cc: Vince Graham
Sent: Sat Mar 14 14:49:25 2009
Subject: Re: "Creekside Park"

As far as I know, the constructed "marsh walk" is completely adequate for the "Creekside Park" referenced in the HUD report.

Do either of you know why the Creek Club docks and boating facilities, along with extended pedestrian path were **not** turned over to the Assembly when Phase-2 was completed (with easement use rights reserved for Club as well as Olde Parke residents)?

On 3/14/09 11:00 AM, "Chad Besenfelder" <chad@iongroup.com> wrote:

I am meeting with Matt Walsh next Tuesday. I have plats and park designs that clearly show TIC met the requirements of the land act chart for Phase 2 ammenities. They include "Saturday Point Park" and "Hope Point Park" along Hobcaw Creek tributary creek all part of the creek park called the "Marsh Walk Park" designed after the "Cliff Walk Park" in Newport, RI. The proposed design plans from Design Works I have for the creek side park are detailed showing plantings, sitting areas, path designs, dating back to 2000. I am not sure if the parks were built exactly as proposed but they are close. I also have copy of deed that turned over Phase 1 and Phase 2 ammenties recorded by RMC on December 5, 2000 that clearly list "HOA Areas" and "HOA Common Areas". In addition, I have original plats from Thomas and Hutton that clearly identify the HOA crab docks situated on Hobcaw Creek and Hobcaw Creek Tributary showing the same proposed "HOA" areas. You may have noticed in that land act agreement, it specifically mentions that some park areas would be private and part of a

membership club that would charge for access. This is clearly our intention to make the Creek Club private including the lawn and parking areas.

In summary, the documents I have clearly show that TIC completed the requirments according to the land act chart for Phase 2. The deed date falls in line and there should be no further argument. The HOA may try to interpret their own meaning of "Creek Park" which would include the Creek Club lawn. The vague name "Creek Park" of the land act agreement will not provide them fuel for such argument. The lawn area was always intended to be part of the Creek Club.

Sent from my iPhone

On Mar 13, 2009, at 9:43 PM, "Tom Graham" <ThomasC.Graham@comcast.net> wrote:

How?

On 3/13/09 7:16 PM, "Chad Besenfelder" <chad@iongroup.com <mailto:chad@iongroup.com> > wrote:

Yes. I will put an end to this "creek park" BS.

Sent from my iPhone

On Mar 13, 2009, at 7:10 PM, "Tom Graham" <ThomasC.Graham@comcast.net <mailto:ThomasC.Graham@comcast.net> > wrote:

Chad, Did you say that you have a plan for "Saturday Road Creekside Park"? Possibly that is the "Creekside Park" referenced in the HUD document.

------ Forwarded Message
From: Tom Graham <ThomasC.Graham@comcast.net <mailto:ThomasC.Graham@comcast.net> <mailto:ThomasC.Graham@comcast.net <mailto:ThomasC.Graham@comcast.net> > >
Date: Fri, 13 Mar 2009 18:07:35 -0400
To: Bruce Kinney <bkinney94@gmail.com <mailto:bkinney94@gmail.com> <mailto:bkinney94@gmail.com

<mailto:bkinney94@gmail.com> > >
Cc: Chad Besenfelder <chad@iongroup.com
<mailto:chad@iongroup.com> <mailto:chad@iongroup.com
<mailto:chad@iongroup.com> > >, Vince Graham
<vince@grahamholdings.com
<mailto:vince@grahamholdings.com> <mailto:vince@grahamholdings.com
<mailto:vince@grahamholdings.com> > >
Conversation: Creek Club Docks
Subject: Re: Creek Club Docks

Thanks, Bruce,

We'll be back to you shortly with response to the Creek Club docks and Cross-use easement issue questions. This is a bit complicated and requires some research.

In regard to your second question, Vince recalls the "Creekside Park" as the 2.5 mile marsh walk which has been built and, for the most part, conveyed to the Assembly.

From: Chad Besenfelder
Sent: Thursday, March 19, 2009 12:24 PM
To: 'Vince Graham'
Subject: I'On Update

Follow Up Flag: Follow up
Flag Status: Flagged

Property Turnover:

1) Repairing pump at amphitheater complete in 2 weeks. Deeds complete and finalizing maintenance manual
2) I'On Square park complete, trees trimmed, retaining walls repaired, irrigation working, deeds complete with business user agreement, ready for turnover now
3) Phase 7 marsh walk enhancements complete in 4 weeks. I am preparing deeds now with idea to escrow money to HOA for park enhancements later
4) Phase 9 marsh walk and cul-de-sac enhancements complete in 4 weeks. Path will end at Lot 10-10, Preparing deeds now.
5) Phase 9 and 10 TOMP handover inspection scheduled March 26. List of improvements and then 3 weeks to price and schedule repairs.
6) Phase 10 MPW enhancement repairs next two weeks, may require storm drain video inspections.
7) Phase 10 park design complete next week. Downgrade plan, price, and offer escrow fund to HOA end of April
8) Canals turnover will take longer. HOA hiring engineer to inspect. Dredging may be required.
9) Boat docks: Working with Tom and the Creek Club to subdivide parcel for HOA dock and ramp turnover. Reviewing all past use agreements. Date?
10) Combining all maintenance manuals and as-builts for HOA.

Miscellaneous Projects:

1) Managing all IDC issues and working on IDC handover. Macky Hill negotiating with HOA. Meeting with AMCS to review procedures, website in works, the process is slow and I expect some challenges. We need to meet.
2) Meeting with TOMP and SCDOT to finalize approval for the fourth entrance for I'On. You can develop later if you like
3) Removing path from Lots 9-7 and 9-8.
4) PD Amendment to remove eave height restrictions from code and Phase 11 temporary use including community garden and other
5) Researching multi-dwelling options to possibly add to PD Amendment suggested by TOMP Planning staff
6) Al Evans to remove staging material in 3 phases. Will take 8 weeks.
7) PPL and Evans to install pedestrian entrance to Muirhead Road. Met with residents and TOMP. Complete in 3 weeks
8) Entire Phase 11 will be graded and prep work done to lower costs later when you develop
9) Working with residents to create a budget and plan for community garden. Well options in works.
10) Researching compost operation in Phase 11. More to come in near future. This is a cool project.
11) Pricing 1 acre clearing on club land near Eastlake including curb cut and stone for boat/rv storage, may complete access to club parking lot ($20,000)
12) Working with Tom and John to create new business plan for I'On Club and researching other business opportunities



From: Chad Besenfelder
Sent: Monday, March 23, 2009 12:27 PM
To: T Graham; Vince Graham
Cc: 'Vince Graham'
Subject: RE: Creek Club
Attachments: DOC001.pdf

I requested letter from Mike attached and issued a check request to Mac Martin.

Chad Besenfelder
159 Civitas Street
Mt. Pleasant, SC 29464
Direct: 843.284.2129
Fax: 843.971.1664
Email: chad@iongroup.com
Website: www.iongroup.com

I'ON



From: Tom Graham [mailto:ThomasC.Graham@comcast.net]
Sent: Monday, March 23, 2009 12:02 PM
To: Vince Graham; Chad Besenfelder
Subject: FW: Creek Club

I previously responded to Bruce Kinney's question regarding "Creekside Park" with Vince's recollection as the 2.5 mile creek side and marsh walk completed and for the most part turned over to the HOA.

Have Russo's earnest money checks been returned?
Appropriate response to Bruce Kinney?
Let's meet together tomorrow morning to formulate written response?
--
Thomas C. Graham
[redacted]

Ne Oublie



------ Forwarded Message
From: Bruce Kinney <bkinney94@gmail.com>
Date: Mon, 23 Mar 2009 11:10:49 -0400
To: Tom Graham <ThomasC.Graham@comcast.net>
Cc: MATT WALSH <matt.e.walsh@gmail.com>
Subject: Creek Club

Hi Tom,
I ran into Mike Russo last week and he told me that his group is no longer going to purchase the Creek Club, and that his earnest money has been returned. There is an I'On Assembly Board meeting this Wednesday. In advance of the meeting I would greatly appreciate an update on turning over the docks, the sale of the Club and the Creekside park.

Thanks, Bruce

------ End of Forwarded Message

To: Ion Realty/ Chad

From; Mike Russo/ The Inn at Ion/ Jacobs Kitchen

Date: 3/19/09

Re: Purchase of Creek Club

Dear Chad

Due to the fact that it has been decided that the docks and the land accessing the docks shall be deeded to the HOA, we can no longer proceed with our purchase of the Creek Club. We are requesting that our earnest money be refunded and the existing contracts be voided.

Perhaps in the future we will revisit the purchase. We hope you understand our concerns. To much has happened and changed with this deal and frankly I no longer trust what the HOA and other neighborhood groups may come up with next.

On another subject matter, I would be more than happy to offer any help may expertise may afford you in building up the potential wedding business at the Creek Club and look forward to a mutually cooperative business association.

Thanks

Mike Russo

From: Tom Graham <ThomasC.Graham@comcast.net>
Sent: Tuesday, March 24, 2009 11:32 AM
To: Bruce Kinney
Cc: MATT WALSH; Chad Besenfelder; Vince Graham
Subject: Re: Creek Club

Bruce,

- Creek Club sale: As Mike Russo told you, he has terminated his Creek Club purchase proposal and earnest money has been returned.
- Dock conveyance to Assembly: Chad's working on turnover details now and expects to have resolution shortly.
- Creekside Park: This is the 2.5 mile linear park running along the Hobcaw Creek and the Shelmore Creek and marsh. Most of this park has been conveyed to Assembly. The remaining portion in phases 7 & 9 is in process of being turned over.

--
Tom Graham
[redacted]

Ne Oublie

On 3/23/09 11:10 AM, "Bruce Kinney" <bkinney94@gmail.com> wrote:

Hi Tom,
I ran into Mike Russo last week and he told me that his group is no longer going to purchase the Creek Club, and that his earnest money has been returned. There is an I'On Assembly Board meeting this Wednesday. In advance of the meeting I would greatly appreciate an update on turning over the docks, the sale of the Club and the Creekside park.

Thanks, Bruce



From: Chad Besenfelder
Sent: Tuesday, March 24, 2009 5:00 PM
To: 'Vince Graham'; T Graham
Subject: Docks
Attachments: DOC001.pdf; Future Docks.PDF

Two scenarios attached (DOC001). Option 1 is deeding the least amount possible to the I'On Assembly. Option 2 is what I expect the Board will request. Predict some negotiation.

Option 1: Deed minimum land to Assembly

Pros:
1) Club retains maximum deep waterfront and boat ramp for future opportunities
2) Assembly receives the "Community Dock" listed in the HUD Document (open for interpretation)
3) Assembly retains current access rights to dock, ramp, and marsh walk
4) Requires little change to existing Recreation Easement

Cons:
1) Assembly Board will argue strongly the ramp is part of "community dock"
2) Creek Club will still pay ramp insurance and maintenance costs
3) Creek Club will still administer and police ramp operations
4) Some (maybe 12) residents will likely be upset and continue to drag on anti-developer campaign
5) Could damage Assembly and developer relations

Option 2: Deed a linear parcel to Assembly

Pros:
1) If needed in negotiation, the Assembly may consider this the Creekside Park
2) Club would no longer have the headache or expense of dealing with the dock and ramp

Cons:
1) Creek Club loses access control over the lawn path and ramp
2) Creek Club loses future opportunities of owning deepwater property
3) Creek Club loses property value or perceived property value

I suggest we propose Option 1 and see what happens. Be prepared to read negative message board posts. The Assembly will likely ask for more regardless of what we propose so why not propose only what we are obligated, without getting into a legal battle. We should consider that every linear foot of marsh and deepwater will add value to the Creek Club. Mike Russo understood this and the land between the marsh walk and dock is the most value in my opinion.

Be prepared to negotiate the ramp as part of the deed turnover. I'm worried about keeping this part of the Creek Club and what value it brings to us. If the Creek Club retains the ramp, the brain damage of managing the ramp and paying insurance may be too much. Keeping the ramp complicates the shared cost equation outlined in the Recreation Easement. Is keeping the ramp worth the trouble? Perhaps.

I also attached a far-fetched plan for future opportunities. I understand highly unlikely but it does provide a sketch of what could be. You never know, the Creek Club could be in the marina business someday. So giving up waterfront property is a big deal in my opinion. Estimate 24 slips (not including community dock) generates $82,000 in yearly slip rental revenue or sell for them for $960,000. Wish it were so easy.

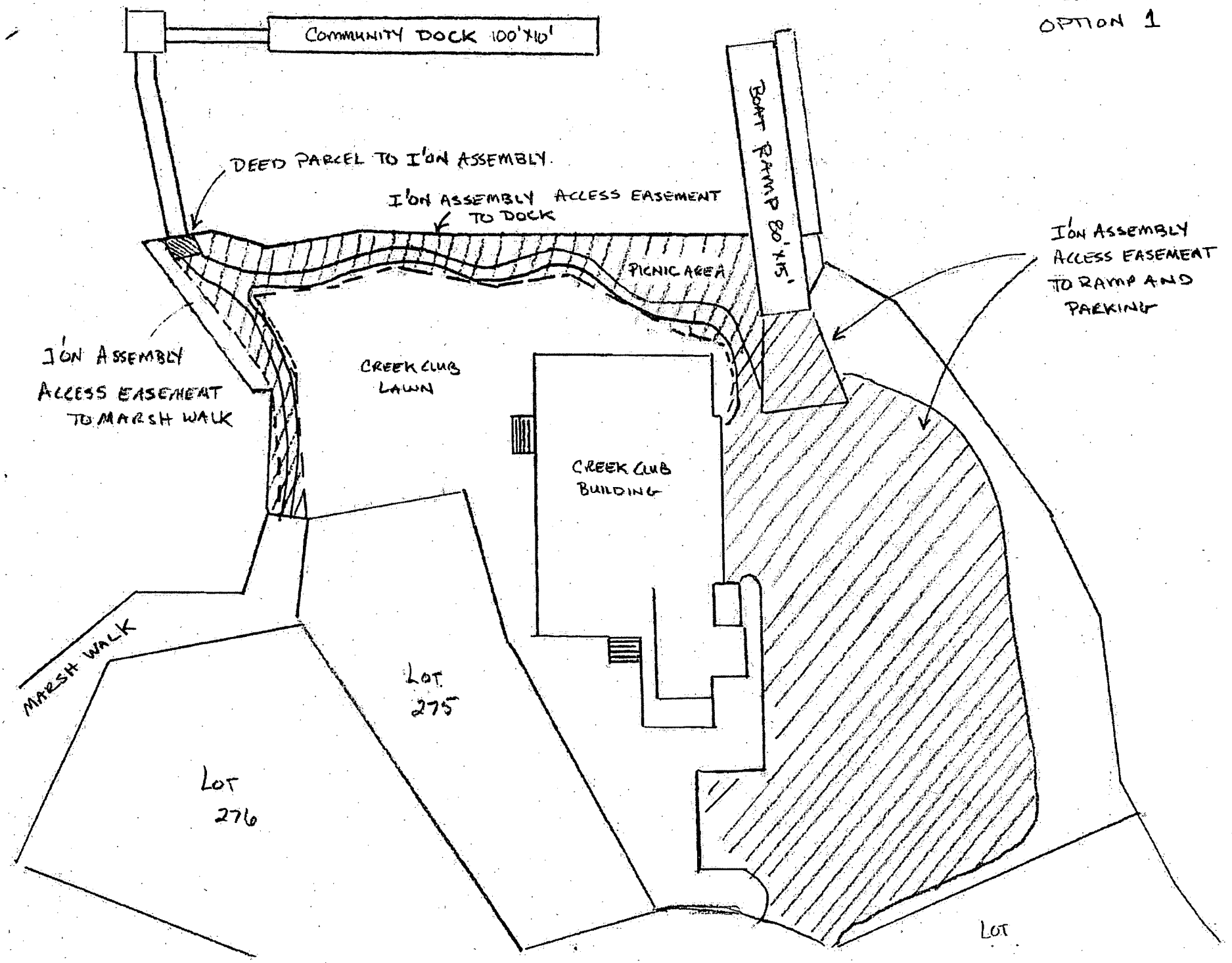
Tell me what you would like to propose to the Assembly so I may start on a pitch tomorrow.

Chad



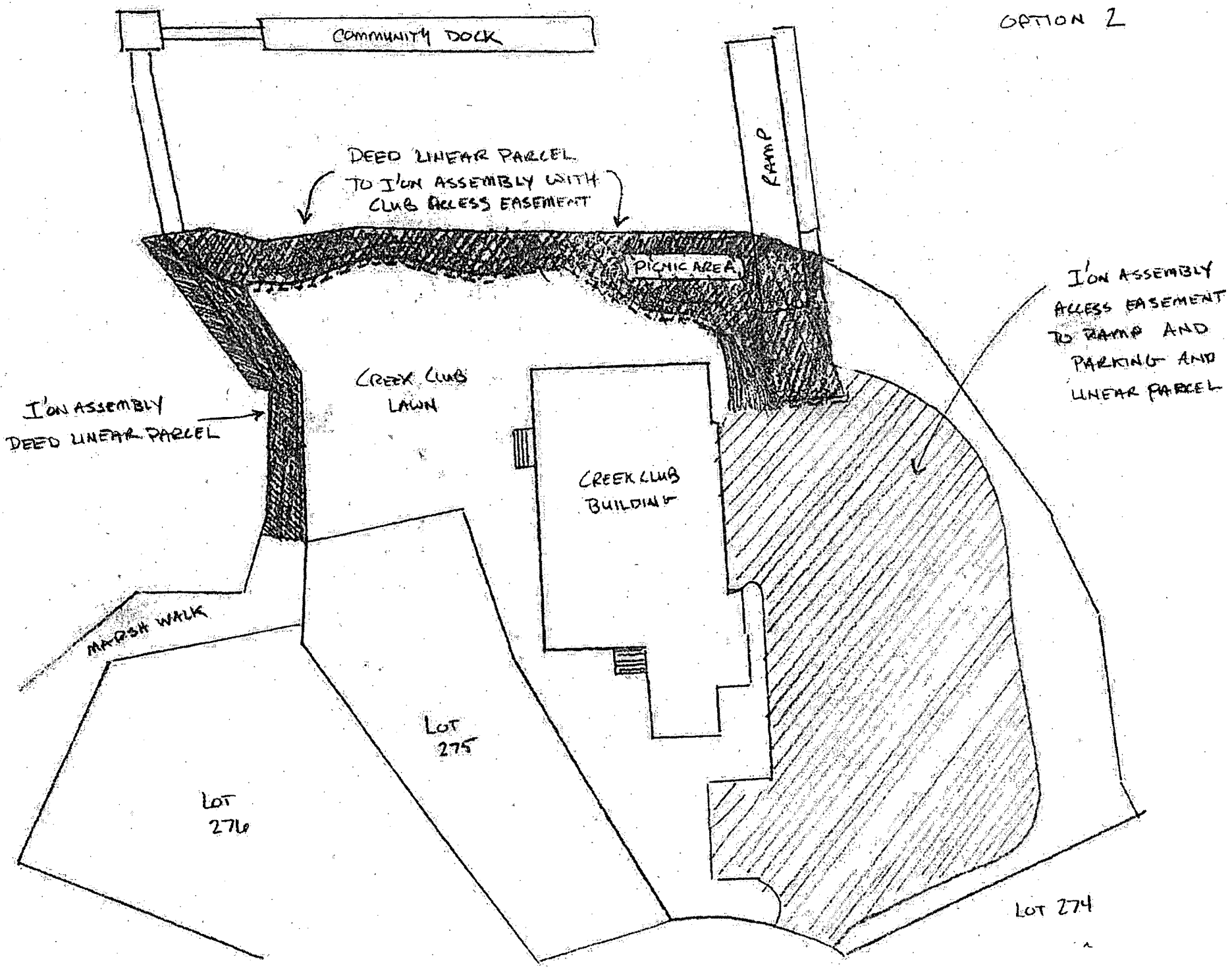
CREEK CLUB CV-6

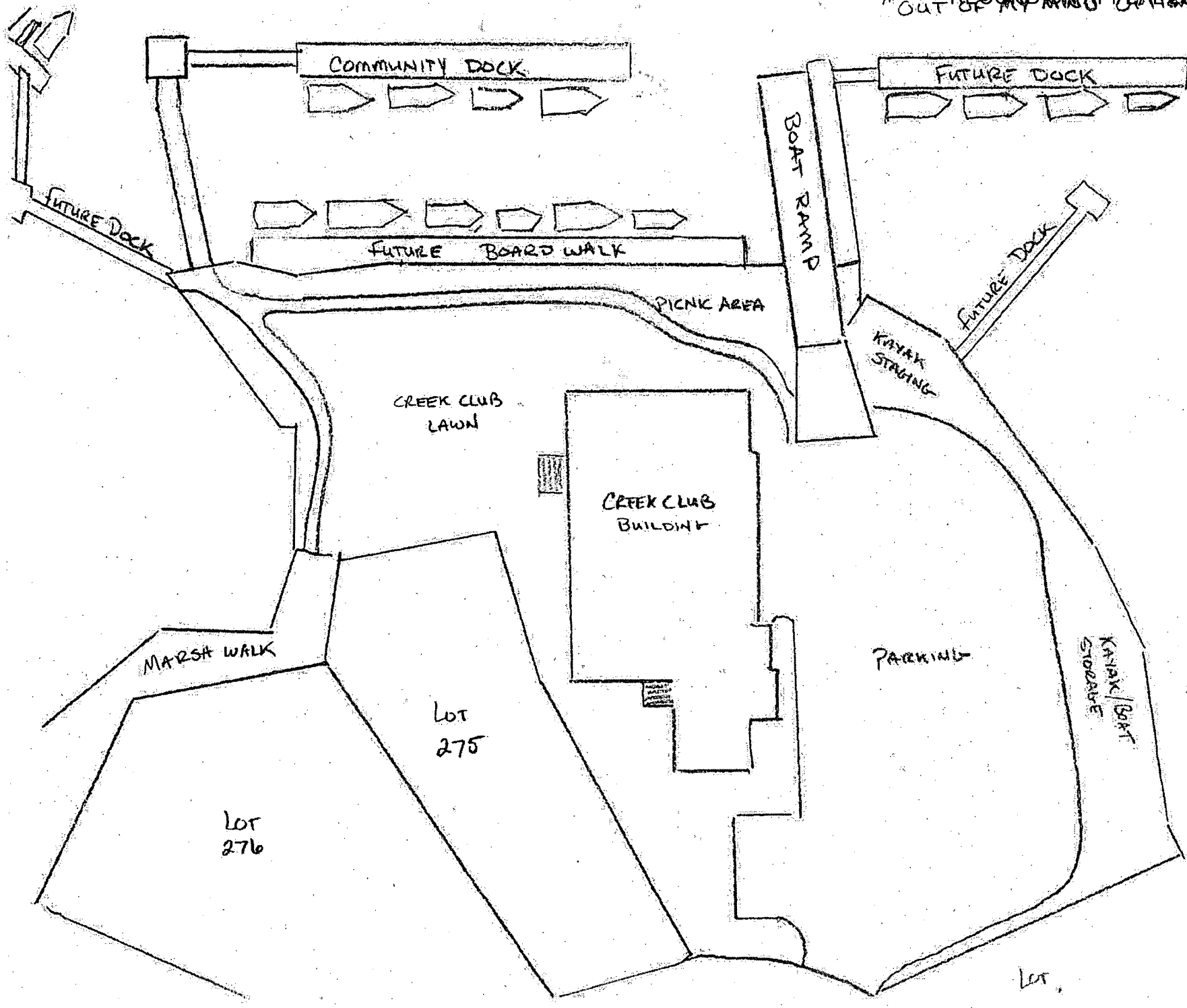
OPTION 1



CREEK CLUB CVA

OPTION 2




COMMUNITY DOCK
FUTURE DOCK
BOAT RAMP
FUTURE DOCK
FUTURE DOCK
FUTURE BOARD WALK
PICNIC AREA
FUTURE DOCK
KAYAK STAGING
CREEK CLUB LAWN
CREEK CLUB BUILDING
MARSH WALK
LOT 275
PARKING
KAYAK/BOAT STORAGE
LOT 276
LOT

From: Vince Graham <vince@iongroup.com>
Sent: Thursday, April 02, 2009 2:32 PM
To: T Graham; Chad Besenfelder
Subject: RE: Question

Follow Up Flag: Follow up
Flag Status: Flagged

They don't. I'm just toying with he and Brock. I'm glad he brought the Impact Statement up though as it further supports our position. After the next round or two of email exchanges with Walsh, you'll see what I mean. We will slam the door on this foolishness, and set the stage to enable them to take over dock ownership, its costs and responsibilities, under our terms and conditions.

From: Tom Graham [mailto:ThomasC.Graham@comcast.net]
Sent: Thursday, April 02, 2009 2:25 PM
To: Vince Graham; Chad Besenfelder
Subject: Re: Question

Vince,

It seems to me that neither Matt Walsh nor any other homeowner have any legal basis to rely upon the impact statement submitted to the TOMP for any claim upon TIC. I've little patience left for this BS.

Jo Anne Stubblefield might be able to advise on help with closing this out?

--

Tom Graham

[redacted]

Ne Oublie



On 4/2/09 2:02 PM, "Vince Graham" <vince@iongroup.com> wrote:

FYI. Chad, please send me a copy of the Impact Statement when you get a moment.

From: Matt Walsh [mailto:matt.e.walsh@gmail.com]
Sent: Wednesday, April 01, 2009 12:16 PM
To: Vince Graham
Cc: Bruce Kinney
Subject: Question

Vince,

I hope this message finds you well. I have some neighbors who are troubled by the definition of the creekside park you had Chad deliver at the last meeting. Here is an excerpt from an email concerning this issue. I must admit, it seems to ask some interesting questions:

"The Impact Assessment references a park on Middle Street in the Old Village of Mount Pleasant, and it even includes a photograph of this park. In fact, this Middle Street park is the home to Alhambra Hall, a special event venue strikingly similar to our own Creek Club. Both facilities are surrounded by a lawn of park area and both are located on waterfront parcels. If descriptions and models in the Impact Assessment are to be trusted, then the vision of this park on Middle Street would have been realized with the construction of the Creek Club and its surrounding park on Civic Site 6. The Property Report chart included an entry for "paths and trails" in Phase 2, so clearly the marsh walk trail was already accounted for in the list of facilities. There was no model mentioned in the Impact Assessment of the Newport, Rhode Island linear park, which Chad Besenfelder claimed was the inspiration for the marsh walk (park) he would have us believe was formerly known as Creekside Park.

The burden is on the Grahams to PROVE what Creekside Park is -- in the absence of a map with it stamped on the marsh walk, we have to look to other proof, as stated above. Models and ideas expressed in the impact assessment were very specific. The Middle Street park, where Alhambra Hall is located, is evidenced in the impact assessment. The linear park of Newport, R.I. is not. Then, the paths and trails already being significant enough for their own mention in the Property Report seals the deal, in my mind -- the marsh walk trail is already included in the recreational facilities separate from Creekside Park. Newport's linear park in Rhode Island is never mentioned in the assessment. The site of Alhambra Hall is."

It sue would be great if you could clear up what seems to be some confusion. Feel free to give me a call if you would prefer to discuss.

Best regards,

From: Tom Graham <ThomasC.Graham@comcast.net>
Sent: Wednesday, April 08, 2009 1:56 PM
To: Chad Besenfelder; Vince Graham
Cc: Michael Wooddy
Subject: Re: Creek Club and I'On Club Sale

Let's get the rest of these Steve Brock, Lee Ann Adkins HUD Mickey Mouse issues cleared up quickly, in order to pre-empt Steve Speer from getting re-spooked. And, also, we need to get on the same wave length in order to avoid giving mixed signals to either Buyer or HOA.

Conference together tomorrow AM?

On 4/8/09 1:33 PM, "Chad Besenfelder" <chad@iongroup.com> wrote:

Creek Club:
I met with Mike Russo and the Creek Club sale is back on. I suggested a contract and close in 60 days. Mike agreed. He will need an additional 90 days after Creek Club closing to close Lot 275. No extension included this time. I can draft the contract myself this afternoon.

CV-6 (Creek Club) and CV-5 (overflow parking lot) for 1,750,000 earnest money of $25,000

Lot 275 for $250,000 earnest money of $5,000

There are still questions about the docks and I suggest we meet as soon as possible to review our legal dock obligations and easements before we sign anything.

I'On Swim and Tennis Club:
I plan to meet this weekend with interested buyer. They are reviewing budget and numbers this week. I have a gut feeling they will offer $1 million by the end of next week. I will prepare a strategy to get us closer to out target of $1.3 million.

