THE STATE OF SOUTH CAROLINA
In the Supreme Court

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S.C. SUPREME COURT

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Stephanie P. McDonald, Circuit Court Judge

Case No. 2010-CP-10-10490

Appellate Case No.: 2015-001590

I'On Assembly, Inc., Brad J. Walbeck, and Lea Ann Adkins, individually and derivatively on behalf of I'On Assembly, Inc.,

Petitioners,

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

Respondents.

APPENDIX TO THE PETITION FOR WRIT OF CERTIORARI
VOLUME VII

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SPECIAL MEETING OF THE ASSEMBLY
23 January 2013

Thank you all for coming tonight. I'm very gratified to see that we have such a large turnout, because we're here to talk about some issues that are very significant to our community.

I am Deborah Bedell, the president of the I'On Assembly Board of Trustees. Just to clarify, the I'On Assembly is the formal name of our HOA, and the Board of Trustees is the elected body of neighborhood residents that is entrusted with managing the community's affairs. All Board members are volunteers who serve without pay.

Here tonight with me are my fellow board members:

- David Countryman is our Vice President
- Frederik Winther is our Treasurer
- Martha Morgan is our Secretary
- Our non-officer Board members are Tony Woody and Martin Hansen, as well as Jay Thompson, who is traveling on business and could not be here tonight.

We called this meeting so that the Board could have an opportunity to present to interested residents some background on the present litigation involving the Creek Club and the boating facilities there. We also felt it was important to our ability to properly represent the community's interests that we provide a forum for neighbors to share their opinions with us, as

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well as to pose questions about the litigation and its possible effects on the neighborhood.

A number of people, including the plaintiffs' attorney, asked that he be invited to present his case at tonight's meeting. The Board very carefully considered these requests. Ultimately we felt it was inappropriate. The plaintiffs' attorney had his own forum to present the totality of his case without contest or opposition from the other parties. We think it is appropriate for the Assembly to take the same opportunity to present our views to our own constituency, and to hear residents' opinions and respond to their questions, without the distraction of engaging in a point-by-point debate with opposing counsel. In addition, we wanted to have enough time to present the Board's views and to hear residents' comments.

Nevertheless, the Board wants to be fully apprised directly of the issues and the weight and quality of the evidence. After we received these requests late last week, we asked our attorney to invite the plaintiffs' attorney to meet with the Board this past Sunday to present his case to us and to respond to the Board's questions. (According to the legal canons of ethics, the plaintiffs' attorney may not ethically meet with parties represented by counsel unless counsel is present.)

Unfortunately, after we juggled the schedules of seven Board members and our attorney, the plaintiffs' firm was unable to make anyone available to meet with us in advance of this meeting. The Board will work to try to find another date to avail itself of a briefing.

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Tonight, I'm going to offer a presentation that will not challenge or contest any aspect of the plaintiffs' legal case, but may put the entire history of these property transactions, and the way your Boards have addressed these issues, in a somewhat different light than may have previously been presented. I plan to cover

- A brief history of the transactions relating to the Creek Club property;
- A summary of the plaintiffs' complaint relating to this property, as well as progress of the suit to date;
- An overview of the Board's responsibilities; and finally,
- A statement about the Board's perspective and goals relating to this lawsuit.

At the end of the presentation, we're going to take a brief break to allow any property owner present to sign up to speak or pose questions—or to cross themselves off the speaker list in case all their concerns have been addressed. Then we'll open the floor to property owners to directly address the Board. To allow time for the maximum number of residents to speak later, I will not be taking questions during this presentation.

Before I get into the heart of my presentation, I want to highlight two significant points that I hope you will all keep in mind as you listen:

- The Board will demand perpetual access to the deep water docks and the boating facilities.
- The Board's ultimate position with respect to this litigation is that we want everything that the

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Assembly is legally entitled to receive as an asset or amenity of the community.

Many of you may also be wondering why the Assembly is a defendant, and not a plaintiff, in this litigation. The answer has to do with some fine points of the law and the plaintiffs' claim, and I will be addressing that point directly later on.

As I begin, let me say that we share with many residents the desire for our communications here to measure up to our standards for civility, mutual respect and reasoned discussion.

Our mission here tonight is for us to present the facts so that all residents can be aware of them and make their own decisions. We don't want to deal in rumor and innuendo. And even if we disagree as to conclusions and goals, we should strive to remain cordial friends and neighbors.

In that spirit, I want to say at the outset that the Board has nothing but the utmost respect for the plaintiffs who brought this case, Lea Ann Adkins and Brad Walbeck. They are two individuals who have taken it upon themselves to fight for something that they believe is in the best interests of not only themselves, but also of all the other residents of this community. While the Board may possibly have a differing view from the plaintiffs on a suitable outcome of this case, nothing we say tonight is intended in any way as a criticism of them or their activity in bringing this lawsuit.

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Finally, let me emphasize that, as I will describe at length this evening, your Boards have ALWAYS worked to represent the best interests of this community. And that is a commitment that this current Board continues to make to all of you tonight and going forward.

A HISTORY OF THE CREEK CLUB PROPERTY

With that said; let me go into the facts behind the history of the property relating to the Creek Club, the parking lot, the boat ramp and the deep water docks.

In the early days of I'On, the property on which the Creek Club and the Docks now stand was all owned by the developer, the I'On Company. The first lots in I'On were sold around 1998 or 1999. As we'll see when we outline their case, the plaintiffs allege that the I'On Company made representations, as early as 1998, that upon completion of construction, a "Creekside Park" and "Community Docks," would be turned over to the Assembly at no cost, as a community amenity. It did not promise the Creek Club or a particular dock or a deep water dock.

That turnover never happened, and that broken promise is what's at the heart of this lawsuit.

On February 9, 2000, 13 years ago, a document was executed entitled "Recreational Easement and Agreement to Share Costs."

There were three parties to this agreement:

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- The I'On Club, LLC, listed as owner of the property (the I'On Club LLC is privately owned by the Graham interests, and also owns the I'On Club itself, located just off Mathis Ferry Road and which is not part of I'On);
- The I'On Company, LLC, owned by the Graham family; and
- The I'On Assembly, Inc., the homeowners' association established to govern I'On. In 2000 the Assembly was controlled and managed by the I'On Company. Residents did not take control of the Assembly until December 31st, 2005.

Although there were three parties, the agreement was signed by one person, who signed three times in his capacities

- as Manager of the I'On Company,
- as Manager of the I'On Club, and
- as President of the I'On Assembly—appointed by the developer, the I'On Company.

Clearly, this was not exactly an arms' length transaction. It's apparent from the terms of the document that if three independent parties had been negotiating this Easement, some very poor drafting and provisions unfavorable to the Assembly would not have been included.

The problems posed by this Easement also figure prominently in this lawsuit, so I'm going to summarize them for you here.

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There are several significant aspects to this Easement and Cost Sharing Agreement:

- The I'On Club is listed as the owner of the "Club Property," the land where the Creek Club and the boating facilities are now located.
- The I'On Club granted to the Assembly a perpetual right to use the Dock, parking lot and boat ramp, including the right to temporarily park vehicles and boat trailers in the parking lot for periods up to 12 hours.
- The Assembly in turn granted to the I'On Club a perpetual right to use Eastlake and the Athletic Field for I'On Club members.
- The Easement also provided for a sharing of costs to maintain the Boating Facilities (the boat ramp, Dock and parking area) according to a formula based on a proportion of the number of I'On property owners compared with the number of non-I'On-resident I'On Club members. This formula at present works out to the Assembly's paying approximately a 75% share of these costs.
- The Agreement will automatically renew at the end of thirty years, unless terminated on six months' notice by one of the parties before a scheduled renewal date. This provision undermines the allegedly "perpetual" easement granted earlier. And remember, when this agreement was written, the three parties were essentially the same entity.
- Because the Creek Club had not been constructed, the Easement had no provision guaranteeing the Assembly any access to the Creek Club itself. In addition, the Easement does

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not reference the overflow parking lot on Saturday Road.

This Easement was recorded in the land records of Charleston County, but was not recorded in the chain of title to the property itself, which meant that it would not easily be found in a title search on the Creek Club property. The Easement has been available for some time on both the public and private pages of the I'On website.

In April of 2000, the I'On Company revised its Property Report to delete the reference to the Creekside Park and Boat Dock.

In August of 2000, the I'On Company deeded the Creek Club property to the I'On Club—remember that the Easement was done in February, 2000, and stated that the I'On Club already owned the property.

In April, 2001, the Creek Club was completed. The I'On Company made it available on a contracted, fee basis to the Assembly for community gatherings, and also used it as an event venue for gatherings like weddings and the Mt Pleasant Junior Cotillion. These uses helped support the designation of "civic" zoning for the parcel where the Creek Club stands. An interesting note about "civic" zoning: it's a term that's used only in I'On, and it has no clear legal definition.

Now let's fast forward four years.

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On December 31st, 2005, the residents of I'On assumed control of the I'On Assembly, our own Homeowners' Association, for the first time.

Another jump until August, 2007, when the I'On Company offered the Assembly the opportunity to buy the Creek Club. The offer was set to expire on December 31, 2007. This offer was part of a package relating to Phase 11, and the deal was this:

- The I'On Company offered to sell the Creek Club to the Assembly for $700,000;
- The I'On Company would distribute some $2.5 million, to be allocated to the Assembly, the Trust, the Montessori School and the two churches in I'On; and
- in return, the Assembly would consent to amend the Planned Development, or PD, through the Town in accordance with the I'On Company's plans for Phase 11. (Phase 11 is the undeveloped parcel over behind Maybank Green and Perseverance Street that's currently a fenced open field.) This amendment would have added 43 lots to Phase 11, and five more lots by converting the Creek Club overflow lot to residential building lots, plus opening an outlet from Phase 11 onto Muirhead Road.

The amount proposed to come to the Assembly would have been slightly less than the purchase price for the Creek Club, so we would not have to come up with a lot of cash for the purchase. The Board convened a meeting of the Assembly in late September or early October, at which Vince Graham presented the I'On

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Company's plans and this offer. Residents posed questions about the Phase 11 plans. They also expressed concerns about the Creek Club and the cost of running it, its suitability as a community center, and the challenges of managing the boating facilities.

While the Board was still evaluating the community's comments, but before it could respond to the offer, and well ahead of the original expiration date of December 31st, the I'On Company completely retracted the offer from consideration in October of 2007—less than two months after making it, and well before the Board had been able to perform any due diligence, assess community opinion, or formulate a response. The deal was simply off the table without warning or explanation. Both the offer and the withdrawal are detailed and noted in the minutes of the Board meetings in August and October of 2007.

About a year later, around the summer of 2008, the I'On group began to negotiate a sale of the Creek Club property, as well as the overflow parking lot, to the Civitas group—148 Civitas LLC is the legal entity that now owns the Creek Club. At this time, many neighborhood residents, especially those on Saturday Road, objected to a sale to a commercial operator. Other residents objected to the sale because they were unaware that the Assembly did not already own the docks and Creek Club, or thought they'd understood that they were supposed to have been turned over to us. Many residents also felt that the potential lack of community access to the Creek Club was a problem. These concerns were expressed by various homeowner groups at open community meetings, at Board

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meetings, and on the community bulletin board, at great length. Furthermore, the Board kept the community informed on an ongoing basis with a lengthy piece in the March, 2009, *Living in I'On* newsletter, which every resident receives, and in postings on the bulletin board, as well as in frequent group meetings with various residents.

To address these community concerns, the Board engaged in discussions with the Civitas group—the Creek Club purchasers—with respect to revisions of the Easement that would

- first and foremost, provide perpetual dock access to the Assembly by allowing only the Assembly to terminate the Easement, not the other parties;
- guarantee Assembly access to the Creek Club itself—which was not in the original Easement;
- prevent the closing of the docks except for maintenance or repair—the Easement allowed for frequent closings; and
- limit the types of events at the Club to those that had historically been held there, including weddings, community gatherings, rehearsal dinners and so forth.

A subsequent draft of the Easement revisions also included limiting the total number of events annually to a fixed small increase over a 2008 baseline. All in all, such an amendment, had it been signed, would have provided significant benefit to the entire community, and a distinct improvement over the truncated rights provided in the Easement.

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By January of 2009, the Civitas group agreed in principle to these terms by initialing a memorandum of understanding. Of course, that's not legally binding, but it did indicate a meeting of the minds.

Before a formal easement amendment could be signed, and before the sale, an I'On resident brought an action in front of the Town zoning commission, eventually appealed, to challenge the use of the Creek Club under the "civic" zoning, alleging that in fact it was being used for commercial purposes. At this time, the Creek Club was still owned by the I'On Club, which was providing access to the Assembly and other civic groups, and running a relatively low volume of wedding-type events. During the pendency of this challenge and the appeal, discussions on amending the easement were suspended, because if the residents won and the usage was prohibited, no one would want to buy the Creek Club. The Town made a final determination that the then-current uses were consistent with "civic" zoning in February of 2009.

Again after the initialing of the memorandum of understanding, in March of 2009, one of the current plaintiffs brought to the Board's attention the 1998 Property Report evidencing an intention by the I'On Company to turn over the docks and ramp, as well as something referred to as "Creekside Park," to the Assembly. On the basis of this document, the Board wrote to the I'On Company requesting that the docks and ramp be turned over in accordance with the normal detailed property turnover process already in place for other Common Area elements like the Amphitheatre.

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This letter also inquired about the existence of a "Creekside Park," asking if it had been built, and where it was located. A Board member participated in lengthy discussions with the I'On Company about how to handle the turnover, and the I'On Company was initially willing to comply. This process and discussions took place throughout the spring of 2009. The I'On Company also indicated that the planned "Creekside Park" was in fact what we now know as the marshwalk, which it termed a "linear park."

Subsequently, however, despite the I'On Company's earlier promise to turn the Docks over to the Assembly, the Civitas group insisted that the Docks be part of the purchase transaction. To preserve the deal with the Civitas group, the I'On Company withdrew from its plan to turn over the Docks to the Assembly and confirmed that they would be part of the sale to the Civitas group.

Citing opposition from the community, however, the Civitas group walked away from the transaction sometime in the late spring of 2009.

The Board subsequently approached the I'On Company to suggest revisions to the Easement to protect the Assembly's interests, once again including a perpetual right of access to the deep water docks, but the I'On Company refused to make any changes.

In late summer of 2009, with no warning, the Board president received a call from AMCS, our former management company, inquiring whether the

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Assembly needed to waive a right of first refusal to the Creek Club to enable the impending closing of a sale. In fact, there was no right of first refusal on behalf of the Assembly.

This was the first time the Board knew that any talks had resumed with respect to selling the Creek Club. The Board president immediately flew back to I'On from his summer vacation and tried once again to persuade both the I'On Company and the Civitas group to amend the Easement to give the community a perpetual right of access to the deep water docks. Both refused, and the sale closed a few days later, unbeknownst to the Board, in late August, 2009. The deed to the property actually contained an exception to title for the claims that have since been brought by the plaintiffs. This meant that the deed did not convey a full, clean title to the property.

At the same time, the I'On Club assigned its Easement rights (keeping its access to Eastlake and the Athletic Field) to the Civitas group. The Assembly was not a party to this assignment and the Board had no knowledge that it occurred.

This is a lot of events and facts as I've described them up to now, and I'm not making any points about propriety, legality, or anything else. This is "just the facts, ma'am"—just a timeline of events. Later I will focus on the Board's thinking in deciding on the course of action it chose at this time.

The Civitas group subsequently acquired the residential lot adjacent to the Club.

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On December 22, 2010, the plaintiffs, Lea Ann Adkins and Brad Walbeck, filed suit against the I'On Company, the I'On Club, I'On Realty, the I'On Group, Tom Graham and Vince Graham personally, 148 Civitas LLC, Mike Russo personally, and the I'On Assembly. The Assembly was actually not part of the original filing. It was added a few weeks later because the parties felt the Assembly was an "indispensable party," meaning everyone wanted the Assembly to be bound by whatever the outcome of the litigation turned out to be.

I will be reviewing the allegations of this suit in a few moments—I am just working through the timeline at this point.

Since then, all the named individuals, plaintiffs and defendants, have sat for depositions—examinations under oath—set by the other parties. The parties have deposed, or subpoenaed for deposition, at least twelve individuals, including me, as witnesses relating to the Assembly. Most of these people, but not all, are past Board members. In addition, discovery requests have been made by the parties and large amounts of documents have been produced for the attorneys to examine.

Just last month, by court order, the parties engaged in a mediation session. Before the meeting started, all present signed a confidentiality agreement. At that meeting, all the parties were present, with counsel. Attorneys for the title insurance company and the mortgage holder on the Creek Club also attended. I

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was there as the representative of the Board and the Assembly. The plaintiffs' counsel presented a comprehensive slide show on his case, and in response, defense counsel made brief comments about their cases or positions as well. The parties were then split up into separate meeting rooms. The mediator visited with each group and then arranged for meetings between the various parties. I spent eleven hours with our attorney that day. He's a great guy, but I wouldn't wish that whole day's experience on anyone else in this room.

Thereafter, discussions continued in the hopes of exploring a possible resolution to the case and avoiding a trial, and draft proposals were exchanged, reviewed and commented on. At the time of the annual meeting last month, discussions were ongoing, and as follow-ons to the mediation session, were and are still subject to the confidentiality agreement that all parties had signed. This meant it was difficult or impossible for me to address questions at that time relating to the proposals under discussion. Subsequently, however, due to excessive demands by one of the parties, the Assembly has discontinued discussions, and at this time, there are no serious ongoing conversations.

Our meeting tonight is being held in response to a request made at December's Annual Meeting that the Board provide an opportunity for residents to make their voices heard on these issues.

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Trial is currently set for February 11th, although the attorneys consider it unlikely that it will actually occur on that date.

So that's the history of the Creek Club property and the beginning of the lawsuit, as well as progress to date.

A SUMMARY OF THE LAWSUIT CLAIMS AND PROGRESS

Let's turn now to the lawsuit and the plaintiffs' claims. As many of you know, the plaintiffs' attorney gave a lengthy presentation of his evidence last week. I will give an overview of the allegations and the claims against the various defendants. Those of you who missed last week's presentation should contact the plaintiffs and ask them to have their attorney make his presentation available online for your review, if you're interested. I suspect you will agree with many who have seen it that it is a compelling case. Nevertheless, you should also keep in mind that none of us has heard any of the defendants' responses or case presentations, and none of us is the judge or jury in this case.

I want to comment that as I describe the plaintiffs' case, I use the word "allege" in the strictly legal sense of a statement made in the course of court documents. I do not intend to imply any judgment about the validity or credibility of the plaintiffs' claims.

Before I begin my summary, I'll mention that I'm a Harvard-educated lawyer, with an MBA from

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Northwestern; I taught at the University of Chicago Law School, and practiced corporate law for many years. I've never practiced real estate law or practiced in South Carolina, but I'm able to understand the issues here without needing simultaneous translation when speaking with our attorneys. The Board members in front of you have extensive experience in business, finance, engineering, communications and medicine. You have a well-educated and focused Board that is well-equipped to address the issues presented by this litigation.

The thrust of the plaintiffs' case is that, as purchasers of property in I'On, they both relied on a Property Report from 1998, legally required by federal law, representing that the Community Dock as well as a "Creekside Park," were intended by the developer, the I'On Company, to be turned over to the Home Owners Association at no cost to the Association.

The critical point to keep in mind is that all of the plaintiffs' claims involve reliance by a purchaser on specific legal representations made by a seller. We will focus on this point again later.

As part of the evidence supporting the claim that the developer intended to turn over these amenities, the plaintiffs have gathered a large number of other documents, including plats, filings with several other governmental agencies, and correspondence, that they argue clearly indicate that this turnover was intended to occur.

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The plaintiffs further allege that the 1998 Property Report was amended in April, 2000, to delete the reference to the Park and Dock, but that the old property report was still being provided to prospective buyers and that the developer never notified earlier buyers about the amendment.

The plaintiffs also allege that the Board was aware of the original plan to turn over the Dock and the Park, but failed to assert the Assembly's rights to these amenities with the developer. Because of this failure, the plaintiffs allege that they are bringing this suit as a derivative action, representing all similarly situated I'On property owners.

In a derivative action, plaintiffs assert that their representative body—in this case, the Assembly's Board of Trustees—has failed to act to protect residents' rights, so that they are suing on behalf of all residents to assert those rights. Now here is a particularly important point to keep in mind as we think about how we manage our position in this lawsuit: The plaintiffs argue that any recovery or remedy will be to the benefit of the Assembly. The importance of this point will become apparent a bit later.

Finally, the plaintiffs charge that rather than convey the amenities to the Assembly, the developer sold them to the 148 Civitas group.

With respect to the I'On Company, the plaintiffs allege:

- Violation of the Interstate Land Sales Act

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- Breach of Contract
- Breach of Fiduciary Duty
- Fraud and Constructive Fraud
- Negligent Misrepresentation
- Violation of the SC Unfair Trade Practices Act and
- Promissory Estoppel—which means that the defendants made an earlier promise that prevented them from conveying the property to anyone other than the Assembly.

With respect to 148 Civitas and Mike Russo, the plaintiffs allege Tortious Interference with Contract. Tortious interference means that two parties—here, the Assembly and the I'On Company—had a business relationship that 148 Civitas wrongfully disrupted, to its own benefit.

With respect to all defendants except the I'On Assembly, plaintiffs allege Civil Conspiracy and Unjust Enrichment.

They further allege that all the I'On Defendants (the Company, the Group, the Club, and the Realty Company, but NOT the Assembly) are in fact alter egos of each other and that the corporate veils among them should be pierced. That would mean that all the separate corporations are in fact one and the same, and that none of them can hide behind another corporate entity as a defense to its actions.

As a result of all of these claims, the plaintiffs are demanding

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- Specific performance, meaning that the sale of the Creek Club property to 148 Civitas should be unwound and that the amenities should be turned over to the Assembly;
- Monetary damages, injunctive relief, costs and attorneys' fees under the Interstate Land Sales Act;
- Monetary damages incurred as a result of the decrease in value of their homes because of the defendants' actions;
- Monetary damages, triple damages, costs and attorneys' fees for the violations of the SC Unfair Trade Practices Act;
- The recovery of the amount of unjust enrichment received by the I'On and Civitas defendants;
- Consequential and special damages for the Promissory Estoppel claim; and
- Actual, consequential, special, statutory and punitive damages, specific performance and injunctive relief, and attorneys' fees and costs for Tortious Interference.

It's a very long list of claims and a very long list of demands for relief.

Two very important facts to note about this complaint:

- First, there are no allegations of wrongdoing—no causes of action—made against the I'On Assembly. The statements that the Board failed to protect owners' rights are simply part of the factual recitation of the complaint.
- Second, no damages or other relief are demanded from the Assembly or its Board.

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The presentation by the plaintiffs' attorney at his public meeting last week, as well as the one at the mediation session, mounted a great deal of supporting evidence, and was seen as very persuasive by those who attended both meetings. Our attorney and I were also very impressed when we saw the presentation at the mediation session.

However, even at the mediation, except for some brief statements, counsel for the various defendants did not put on full-blown presentations, so it is very difficult to assess the strength of the plaintiffs' case in light of the defenses that could be offered at trial. Among the defenses that have been mentioned are

- a statute of limitations bar to the action, and
- a reference to the "merger clause," meaning that everything that a buyer is entitled to rely on is contained within the deed and purchase contract itself, and that any other statements are legally irrelevant.

In addition, it's clear that many residents never received or relied on the same property report that the plaintiffs received, so on that basis, they would not stand in the same legal shoes as the plaintiffs, and therefore don't have the same legal rights that the plaintiffs are asserting.

Of course, the other defendants dispute the plaintiffs' interpretations of documents and their claims in general. This is normal in a lawsuit, and it doesn't say

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anything about the strengths or weaknesses of either side's position.

Since no charges have been made against the Assembly, essentially the Assembly does not need to put on any defense at trial—we have nothing to defend against.

You can compare my timeline of events and actions leading up to the sale of the Creek Club with the plaintiffs' attorney claims that the Board failed to assert the rights of residents. From the outset there appear to be some disparities. He claims that the Board's lack of action was in violation of its fiduciary duty to represent the interests of the Assembly and the property owners of I'On. As I've tried to make clear, the Board not only acted, it acted with a laser focus on the best interests of the community.

THE BOARD'S RESPONSIBILITY

The plaintiffs' attorney has tried to move us all to the point where the sole definition of "protecting the residents' interests" is "jumping on the plaintiffs' lawsuit bandwagon." And let's keep in mind that this definition is being pushed on us by the man who's suing us—suing every person in this room. There's a reason for that, and we'll explore what that might be a bit later.

This constricted definition completely ignores the way the Board properly exercises its fiduciary responsibilities and arrives at a position that it feels actually does represent the community's best

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interests, after investigation, analysis and debate, as well as soliciting community opinion.

So I think it's important that we have a shared understanding of the Board's obligations with respect to our homeowners, and of what the Board did to uphold those obligations.

First and foremost, we are responsible for representing the interests of all homeowners—and that may mean more than the people who speak up at public meetings. While it's clear that there are many owners who think that deep water access and the use of the Creek Club are important amenities and contribute to their property values, there are others who never use those amenities and may not have even been aware of them when they purchased here. There are others who might believe they are valuable, but are unwilling to pay special assessments or increased regime fees to pay for them. There are others who think we should have the Docks, but don't care about the Creek Club. Still others think that having access to the Docks is really what's important, and owning them isn't a big deal—and furthermore, that the issue of access to the Creek Club is a totally different kettle of fish. These views were all publicly expressed by various residents at the 2007 meeting where the I'On Company presented its package offer covering Phase 11 development and a possible sale of the Creek Club.

So it's important for the Board to try to solicit input from as many residents as possible, hopefully representing a diversity of the viewpoints that may exist. That's the main point of what we're here to do

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tonight. It is also something that the Board did extensively back in 2007, 2008 and 2009. And we're doing it once again because times change and opinions change.

Ultimately, the Board must decide which course of action in fact not only represents residents' views, but also benefits the broadest range of residents and their financial and social interests in the community.

Second, we are responsible for carefully managing the Assembly's resources. This means being stewards of our landscape and any structures that we may own, but it also means that we have to properly manage our finances. That potentially involves a cost-benefit analysis as one way of evaluating proposed expenditures, as well as an assessment of the risks involved.

So let's take a look at some of the financial issues relating to this litigation. One of the top issues is the cost of the litigation itself. When a homeowner brought the 1998 Property Report to the attention of the Board, the single document presented referred to the Creekside Park and the Community Docks. Two years later, the plaintiffs, after filing suit and spending a great deal of time and money researching the case and pulling documents together, have built a case that involves a great deal more than one document.

Any litigation is expensive. For the Board to jump into litigation on the basis of one document of unpredictable significance would not have been a sound judgment based on the limited facts known at

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the time. Instead, the Board reasonably concluded that it should request the I'On Company to turn over the Docks in compliance with that document—and the I'On Company agreed to do so...until it reneged.

The plaintiffs are two private homeowners who presumably could not finance the cost of such litigation personally. They were fortunate to find an attorney who was willing to take their case on a contingency fee basis. A sensible attorney working on a contingency basis is going to do two things: first, evaluate the potential strength of the case and the likelihood of obtaining a money settlement to include legal fees; and second, making sure that on the other side of the suit are deep-pocketed defendants who can pay not only money damages, but also the legal fees and costs incurred in pursuing the case.

Now if you have a deep-pocketed plaintiff as your client, you don't need to engage in that analysis—you simply charge your fees directly to your client. Since presumably the Assembly is a deep-pocketed party, I think it's very pertinent to consider the low likelihood that an attorney would have taken on this case as a contingency case if the Assembly were the plaintiff. Meaning that over the last two years, we would have been running up enormous legal fees—the demand for attorneys' fees alone was for an amount equivalent to $500 for every property in I'On.

In addition to the legal costs of pursuing litigation, there's the potential cost of ownership of the Docks and the Creek Club. We have some idea of the operating costs of the Docks alone, because we

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currently pay about 75% of them. But we have no idea of the cost of operating and maintaining the Creek Club. Furthermore, we've never been permitted to formally inspect either the Docks or the Club structures themselves, so we have no idea what condition they're in. The expected life of the Docks and the Club, as well as their current condition, can have a significant effect on our reserve account planning and spending.

But here's what we do know from our financial dealings with the Creek Club management in the past year:

- We know that neither of the entities that owned the Creek Club property and Docks for the last twelve years has adequately insured the property. This is a perplexing oversight—or economizing measure—in light of the value of the facilities. Obviously, if we were to own the Docks, we'd fix that problem, but it costs money.
- We know that neither of the entities that owned the Creek Club property and Docks over the past twelve years has put away one penny toward a reserve for the eventual replacement of the Docks at the end of their estimated 30-year life. Creek Club representatives have presented estimates for replacement cost ranging from $300,000 to $500,000—a pretty big range, and every bit of it unfunded by any of the previous owners.

At this point, we have no idea whether this type of management is the tip of the iceberg, or just a couple of oversights. But it makes you wonder.

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By way of illustration, at the mid-year Assembly meeting at the Creek Club, we had to pull all the chairs out from storage under the building. They were damp, dirty and covered with mold. What does that potentially say about the conditions under the Creek Club, and the condition of its foundations and understructure? We don't know. Does the Club pay a termite bond, or does it skimp on that type of expense? We don't know. What's the condition of the roof? We don't know.

I'm not going to stand here and try to scare you by telling you that if we owned the Club and the Docks, your HOA dues would double or triple, or alternatively that they'd increase by a mere $10 a year, because neither of those might be true. All I'm saying is that it's an important factor for the Board to consider as it thinks through its options. Because if we don't think through those factors, three years from now, homeowners are justifiably going to be asking us why we didn't anticipate a roof replacement, or a foundation rebuild, or some other big cost issue.

It's important to understand that just because the Board takes these factors into account, it doesn't necessarily pre-determine the outcome of the analysis. The cost factors aren't necessarily insurmountable, but they do have to be considered, analyzed and planned for. But all of the issues I'm talking about become critical elements of making a balanced and nuanced judgment about any course of action.

Some people who helped me develop this presentation suggested I not mention one additional factor in the

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Board's considerations. But I felt that it was necessary for a complete understanding of the Board's thought process, so it was important to address it. Among the other factors that a Board must consider is the interwoven net of relationships and goals that the Board is managing. Like it or not, we have a long-term ongoing relationship with the I'On Company. We are working on many fronts with the I'On Company, including portions of the neighborhood that have not yet been turned over to the Assembly, the transition of the I'On Design Committee to Assembly control, the availability of a community center, and, perhaps most significantly, the future of Phase 11. We've been working on some of these issues for over four years now.

There are many issues on which we don't see eye-to-eye with the developer. But the Board must consider, in the overall best long-term interest of the community, the importance of maintaining a pragmatic and realistic working relationship. I can compare it to a troubled marriage, where the spouses try to work things out and hold it together for the sake of the kids. Even if there's a divorce, the spouses still have the kids in common, and good parents want to work together to pay attention to their needs.

Maintaining a working, arms'-length relationship doesn't mean that the I'On Company offers us everything we'd like to achieve for the community. It doesn't mean that we cave on every demand the I'On Company makes of the Assembly. And it certainly doesn't mean that we're "in bed with" the developer if we can manage to find common ground for

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compromise after a hard-fought engagement. But the need for a pragmatic working relationship with the I'On Company is just a fact of real life for I'On.

In the case of the sale of the Creek Club to the Civitas group, the Board seriously considered the effect of litigation on its relationship with the I'On Company. And even going back to 2009, many of the same issues in play then are still in play now.

With this in mind, the Board tried to identify valid community concerns that it could attempt to address by means other than expensive and confrontational litigation.

When the Board was initially looking at the 2008 proposed sale to the Civitas group, it was unaware of prior legal documents potentially giving rise to a claim that we were owed the Creek Club and Docks. But it was aware that we had the 30-year Easement clock tolling, that we had no guaranteed access to a community center, and that even the then-current uses of the Club posed a burden on nearby residents. Furthermore, the Board was well aware that substantial and expensive structures—the Clubhouse and the Docks—needed a source of funds so that they would be properly maintained and not deteriorate into white elephant eyesores.

With these concerns in mind, the Board negotiated an arrangement with the prospective buyers that achieved, most importantly, perpetual deep water dock access, guaranteed access on a cost-effective basis to a community center, and a cap on the growth of activity

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at the Creek Club. At the time those terms were agreed, the Civitas group was made up of I'On residents who presumably wanted to maintain good relations with the community. They were in the process of building the Inn at I'On and opening Jacob's Kitchen. The Board felt that the promise of great community support for those ventures, in return for these concessions, was a strong incentive for the Civitas group to reach agreement.

Months later, after the sale had suddenly fallen apart and secretly come back together, that incentive had disappeared—the Inn and the restaurant were open and successful, the I'On group and the Civitas group had cut a deal behind everyone's backs, and neither had any interest in letting the Assembly throw a monkey wrench in the works by trying to work out amendments to the Easement.

So let's return to the litigation option. Why didn't the Board run into court to stop the sale or force the Docks to be turned over? As I said at the beginning of this talk, this is where the fine points of the law become extremely important.

You'll recall that I highlighted the point that the plaintiffs' case turns on their reliance on written representations made by a seller to a buyer. Any potential case brought by the Assembly had none of those elements: no representations were made to the Assembly, and the Assembly was not a buyer of property, and so didn't rely on anything said or written or promised by a seller. In fact, there was no sale to which the Assembly was a party.

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It's easy to talk about all the nice things that were promised by real estate brokers to prospective buyers, but none of that gives rise to a legal cause of action. It is undoubtedly the case that many residents feel aggrieved and misled by these kinds of sweet nothings, but that doesn't mean that, under the law, they have a right to sue. When the plaintiffs refer to "similarly situated residents" in their lawsuit, it is a bit unclear, even now, how many residents are in fact "similarly situated," because many of them never got the same documents the plaintiffs got. Realistically, most residents simply do not have the same legal basis for a claim that the plaintiffs have. But even more clearly, the ASSEMBLY does not have this basis for a claim.

Do our Boards, past and present, believe that the developer made such promises in writing to at least some buyers? Much of the evidence we've seen so far pretty clearly indicates that they did. Does that mean the Assembly itself has a legal right that it can assert? Pretty clearly not, and certainly not on the basis of the one document known to the Board in 2009. In fact, it's clear from that document that if anyone had the right to sue, it was potentially ONLY the plaintiffs and early buyers like them. And that is a very critical reason why past Boards have not brought a suit or joined the plaintiffs' suit, and that the current Board has not done so either.

There has been a lot of sentiment that the Board should "support" the plaintiffs' case. But it's very unclear what form or method that support would involve.

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First, let me make one thing clear: we have NEVER opposed this action. We have not taken any steps to deny any claims by the plaintiffs. When asked to supply documents for discovery, and witnesses for depositions, we have done so without complaint. (Well, okay, we complained that it was a lot of work and that it was running up our legal fees, but we didn't file any opposing court motions about them.) We haven't held back any secret documents that might be helpful to the plaintiffs' case. By the same token, we haven't given any aid and comfort to the "enemy," whether it's the I'On group or the Civitas group, to aid in their defense of their case. Our documents speak for themselves, and our witnesses have spoken the truth under oath.

Why would we volunteer to pay attorneys' fees to pursue this litigation, when the plaintiffs' attorney has already taken it on a contingent basis? The plaintiffs' attorney needs to look elsewhere—to actual wrongdoers—for his fees.

There is no form of court pleading or motion that we can make to magically switch sides, to ask the judge to let us be plaintiffs rather than defendants. Not only that, but as I've discussed, we don't have the cause of action that the plaintiffs have, so we can't assert their claims alongside them.

Can we say that we believe the plaintiffs have a strong case? We have said so and we are saying so again here tonight. Can we say that we agree with at least some of the plaintiffs' goals? We have said so, and we

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are saying so again here tonight. Can we say that we think a win by the plaintiffs is in the best interests of I'On and will confer a benefit on the community? We might say so, but we think we have the opportunity to achieve a better outcome than that offered by litigation. In addition, to agree with the plaintiffs on that point potentially causes the Assembly a very significant financial exposure that I will discuss a bit later, when I review possible outcomes to this suit.

THE BOARD'S CURRENT GOALS

So after weighing input from the community, financial scenarios, and its own judgment about the community's needs, where does the Board come down on all of this? What options might the Board view as a win for the Assembly?

The plaintiffs' lawsuit inextricably ties the Assembly to ownership of both the Docks and the Creek Club. We think there are good reasons why that's not the only good solution for I'On. We think a win for I'On might potentially look a bit different.

The very first element of a win is something that is non-negotiable, regardless of what path we take to get it, whether litigation or negotiation: a perpetual right of access to the deep water docks and the boat ramp. That right of access is what makes us a waterfront community and enhances our property values. It is unthinkable that the Assembly, under any circumstances, should surrender that right or permit it to be taken from us.

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It's also important to realize that a right of access need not include a right of ownership, which carries additional burdens of operating and maintenance costs, and liability exposure. If we can achieve a right of perpetual access, regardless of who owns the Docks, that's a win for I'On.

Another—and very separate—element of a win is acquiring a community center for I'On. There are certainly many who very reasonably believe that community centers look nice but ultimately are a financial drain on a community. But on balance, this Board feels that it's simply not right that a community of I'On's caliber lacks a gathering place for its residents. But does that community center need to be the Creek Club?

Let's look at that building: The Creek Club is almost twelve years old, in unknown condition and with unknown operating costs. It offers a single large room with terrible acoustics, two small offices, and a catering kitchen that may not meet code. The large room is not conducive to small group meetings. It doesn't have a conference room where the Board might meet with enough space to invite more residents to sit in and speak on community issues. It is located at the end of a residential street, and has only a small parking lot. (Let me note here that while the plaintiffs argue that we are also entitled to the overflow lot, that parcel was platted separately and at a different time, and the claim may not be quite so certain.)

Don't get me wrong: if a judge hands us the deed to the Creek Club, we will find ways to make it work as a

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community center—which may involve additional expenditures for a redesign or remodel—but we'll deal with that if the time comes. But I think all of us who've been there can agree that as it stands now, the Creek Club is a less-than-ideal community center.

It may be possible, as a result of discussions to resolve this suit, that the Assembly could end up with

- a newer community center,
- in a better location with sufficient parking,
- at a reasonable acquisition cost and with affordable operating costs,
- and a design that could offer more congenial gathering spaces to residents for lunches, casual group get-togethers and presentations, community groups, board meetings, birthday parties and so forth.

If we could, then it's reasonable to think that such an arrangement could be viewed as a win for the Assembly. Especially if continued guaranteed access to the Creek Club for large community gatherings was part of the package.

Finally, a win for I'On should include an arrangement that guarantees that whoever the owner of the Creek Club is should have an income source that will support keeping the building maintained in first class condition, but that also reduces the burden on the adjoining residents.

There have been suggestions that the Creek Club is a potentially money-making asset for the Assembly.

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There are basically two ways the Assembly can make money from the Creek Club:

- one is to sell it off, and
- the other is to operate it, either directly or through a lessee, as an event venue, subject to extensive covenants or restrictions to reduce the burden on the community.

The first option seems to undercut the point of the litigation.

The second, while potentially feasible, would require a great deal of financial analysis to determine whether the Creek Club can be operated profitably, and throw off sufficient revenue to the Assembly to be able to maintain the building in top condition, at a level of activity acceptable to nearby residents—some of whom want no activity there whatsoever. Any income to the Assembly from the Creek Club is taxable income, as we are a not-for-profit entity–but not a charitable tax-exempt entity, like the I'On Trust. And finally, the Assembly's job is to manage our community. We are not in the business of running an event venue.

So it could very well be a win for the Assembly to leave the current owners in place, provide a flat rate annual financial contribution to support some maintenance and operating costs for the Docks, and cap the activity level at a point substantially reduced from current operations. In fact, this is exactly the arrangement that the current owners of the Creek Club agreed to in principle before they bought the property.

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Those elements could make up what the Board feels might be a win for I'On. Details would have to be worked out, and of course the devil's in the details, especially when you're dealing with players who have a bad history on keeping promises and on treating us fairly. But if arrangements along those lines could be agreed—in airtight documents—then the Board and our residents might well view that as an even better outcome than that sought by the plaintiffs. And we almost certainly could achieve it through negotiation in less time than the litigation may take. What we're trying to do here tonight is to hear from our residents about what they might view as a win for I'On—whether it's these options or others.

Of course, all the parties would have to agree to those terms and to ending the litigation. And there is one very significant stumbling block to arriving at such an agreement. Let's take a look at what happens if this case continues on its path to court and a trial lasting one to two weeks.

The first option to consider is that the plaintiffs lose their case. If that happens, in some ways, the Assembly is no worse off than before, legally. But on a practical level, we could be. A loss would confirm that we have no legal right to Creek Club access—and the Creek Club management has already refused to offer the Assembly a contract for use of the Club from February to December of this year, because this litigation is going on. So we'd very clearly still have no community center. And of course, we would fully expect that the plaintiffs would pursue appeals to higher courts of such a loss.

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Neither the Board nor the Assembly would be happy with that outcome, and we're certainly not rooting for the plaintiffs to lose their case. If they did lose, the Board would then take a very hard look at achieving our goals through other means, including further litigation—more expense for legal fees—challenging the easement, challenging the use of the Club as a commercial enterprise in a civic-zoned parcel, or even tying our expectations to our discussions on Phase 11 planning. The outcome would be uncertain, but if that's a fight we're forced into, we're not afraid of it.

The other possibility is that the plaintiffs win on at least the main claims of their case, and they get the remedies they're looking for. The main remedy is that the sale of the Creek Club be unwound, the Assembly gets the Club and the Docks, the Easement is voided, the plaintiffs get some personal compensation for their troubles, and their attorney collects some big bucks for legal fees.

In practical terms, that means the Civitas group turns over the Creek Club keys to the Assembly, and goes back to just running the Inn and the Jacob Bond I'On House over in I'On Square.

And the I'On group would potentially have to

- pay back $1.4 million to the Civitas group, and
- pay the Assembly all the costs of fixing up the Docks and the Clubhouse to remedy any deficiencies after a thorough inspection, and

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- pay the Assembly for thirteen years of unfunded reserves on the Clubhouse and the Docks.

All of that money could easily add up to an amount right around the $2 million dollar mark.

Most of you here know the players involved.

How likely does that scenario sound to you?

In real life, the losers—which would not include the Assembly, because, remember, there are no claims pending against us—are going to appeal that judgment all the way to the South Carolina Supreme Court. And because one of the claims involves a federal statute, they might even shoot for the US Supreme Court. Given that this case has already been pending for over two years, we'd almost certainly be looking at another two to three years before it was resolved. And we wouldn't know what the result would be on appeal.

During that time, the entire matter is in limbo, the Easement clock is ticking, and we still wouldn't have a decent community center for the foreseeable future.

Any time anyone goes to trial, it's a crapshoot. Even on *Law and Order*, sometimes the bad guys win. So why not get everyone at the table to try to work out a settlement that helps everyone achieve reasonable goals?

Because there's one person at that table who loses out in the kind of settlement that doesn't involve actual

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ownership of real estate changing hands: the plaintiffs' attorney.

Remember that he's taken this case on a contingency fee basis, and he's tried to rope in some deep-pocket defendants who have the wherewithal to pay him. As I said earlier, his pretrial fee demand amounted to $500 per I'On building lot. And that was a month and a half ago, before he spent all this time putting together a big presentation, and sitting in on more depositions and getting ready for a trial date next month. If this goes to trial, a conservative estimate of his fees could run to $1000 or more per building lot. Put another way, paying such a sum could wipe out an enormous portion of I'On's cash reserves.

We don't know the financial status of either the Civitas group or the I'On group, but the Assembly does publish its financial statements, and we're a pretty deep pocket. If the plaintiffs' attorney convinces the entire I'On community that he, not their Board, is acting in their best interests, then he's gone a long way to making his case that he's entitled to collect his fees from the Assembly itself—from all the people in this room tonight.

The residents and the Board ought to be the natural allies of the plaintiffs, and logically he should be trying to persuade our attorney that he's got a great case and we should join in. But instead, he's trying to drive a wedge between our residents and their Board. And he's trying to take our attorney out of the play, because our attorney is advising us to hold fast and not take precipitate action to benefit either side. When

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your opponent tries to take your attorney out of the play, that's probably a sign he's doing a good job for you.

Our attorney advises us not to do anything at this point because we don't need to. The Assembly is critical to any attempt at settlement, because if a proposed solution isn't acceptable to us, it won't fly. It's in the Assembly's best interest to preserve its ability to work with all parties to arrive at a settlement. And at no point will your Board accept any position that could risk making the Assembly responsible for the plaintiffs' attorney's fees. That would simply be irresponsible and a dereliction of duty.

The Board and its attorney always have the option to change our position to suit the interests of the Assembly as we approach trial, depending on the status of any discussions that might occur between now and then.

This has been a long presentation. Let me wrap up by summarizing the points that I hope you all will take away from this evening's discussion.

- The Board unequivocally stands its ground that this community is entitled to perpetual access to the Boating Facilities—the Docks and Boat Ramp. This is the North Star that this Board and all previous Boards have kept in sight in representing the best interests of I'On residents. Whether we acquire perpetual access through a trial of this lawsuit, through a settlement agreement, or

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through later legal challenges, we will pursue this claim.

- The Board wants I'On to have a community center that meets the needs of its residents. Whether this is the Creek Club itself, or some other new center, a community of I'On's stature and values should have its own community gathering place.
- The Board continues to maintain that the community's goals can be best reached through a negotiated agreement reached by the parties. Such a solution has the potential to be financially preferable, and much faster than awaiting the outcome of a trial and the inevitable appeals. We welcome all parties to this litigation to the table, as well as some of the other players who are not parties but may be in a position to contribute to the solution.
- Finally, this Board will never intentionally expose the Assembly to a claim for legal fees that would be financially devastating to the Assembly and impose substantial financial costs on our residents.

The litigation and the issues surrounding it are a very complex topic. There are a lot of dollars at stake. There is a huge amount of justifiable community concern about this litigation, and emotions are running high. I have tried to present a dispassionate, factual assessment of this entire matter.

And I want to assure you that every single Board member, all neighbors sitting here in front of you, elected by all of you to represent your interests, is fully committed to doing what it takes to insure that your

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interests—which are the same as ours—are properly asserted, represented and protected to the fullest extent possible.

Your Boards, past and present, are unpaid volunteers who donate their free time and energy to work on your behalf. These are the people who the plaintiffs' attorney would have you believe are incompetent and ignoring your and their own best interests. I know all these people, and believe me, that's not the case. You should not accept such accusations from anyone, much less from the attorney who is suing you.

We take our responsibilities—unpaid and time-consuming as they are—very seriously. We stood for election because we love this community and we are committed and dedicated to the values and aspirations that I'On stands for. We are all of you, and we never lose sight of that.

For residents who are not able to attend this meeting, or for anyone who would like to review these comments, this presentation will be posted on the I'On website by tomorrow.

We're going to take a brief break. I'm sure everyone needs a bit of a stretch. The bathrooms are out the back door on my right, down the short hallway. For those of you who've already signed up to ask a question or offer a comment, if you feel that your questions have been answered and your opinions are already recognized, you may come up and cross your

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name off the speakers' list. If you have questions or comments, but were waiting to hear the Board's views tonight before signing up, please come up and sign the speakers' list.

When we return, Martha Morgan, our Board secretary, will call the name of each listed speaker in turn, along with the name of the person on deck. We're going to ask each speaker—and all speakers MUST be property owners in I'On—to come to the microphone in the front of the room and announce their names and addresses. Each speaker will have three minutes to speak, which will include both questions and responses from the Board, and Martha will hold up a one-minute warning sign.

We fully expect that there will be a diversity of opinion in the room, and that's as it should be. But we also fully expect that all speakers will speak courteously in both words and tone, that there will be no personal commentaries or attacks on anyone involved in this litigation, and that all speakers will speak in turn without interrupting others or being interrupted. All discussion should relate directly to the litigation that is the subject of tonight's meeting. We will end the meeting promptly at 8:30, but if it appears that there are many individuals wishing to speak at that time, the Board may decide to extend the meeting.

Let's reconvene in ten minutes.

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CLOSING COMMENTS AFTER QUESTIONS AND ANSWER PERIOD

This has been a very long evening, but it was an important and necessary one. I want to extend the Board's thanks to every resident who took the time to come here, to be informed, and to communicate his or her views to the Board.

I also want to thank my fellow Board members, not only for their commitment to this community, but also for the amount of time and effort they have devoted to this matter in their very first month in office. And I'd especially like to thank Martha Morgan for working with me down to the wire today to put together a slide presentation to help everyone keep the important points straight.

And a thank you as well to the O'Quinn School for making this space available to us at no charge while the Creek Club is closed for maintenance.

If you have friends who couldn't be here tonight, or if you want a chance to review what we've presented here, we are working to have the presentation, the slide show, and relevant documents up on the private page of the I'On website within about 48 hours.

If you couldn't be heard tonight, or if you or your friends have additional questions, please submit them through the HOA Mailbox. We will be posting responses on an FAQ page dedicated to this litigation.

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Thank you all for your patience, your attention, your courtesy, and your commitment to keeping I'On the wonderful community that we all value.

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January 10, 2000

Brad Walbeck
2596 Palmetto Hall Blvd.
Mt. Pleasant, SC 29466

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

PLAINTIFF'S EXHIBIT 118

THE I'ON COMPANY · P.O. Box 986 · Mt. Pleasant, SC 29465
(T) 843-971-1662 (F) 843-971-1664 (I) http://www.ionvillage.com

CONFIDENTIAL

From: MRUSSO7465@aol.com
Sent: Wednesday, July 09, 2008 1:14 PM
To: Chad Besenfelder
Subject: Re: Confidential Creek Club info

Follow Up Flag: Follow up
Flag Status: Flagged

In a message dated 7/5/2008 12:43:24 P.M. Eastern Daylight Time, MRUSSO7465 writes:

Chad,

Sorry it took so long but got tied up with personal stuff for the 4th.
Here is an outline we are proposing for a contract.

1. CV6,The Creek Club ,adjacent parking and CV5 overflow parking $1,675,000.00

2. Adjacent residential lot. $225,000.00

3. We need 150 days due diligence then 30 days to close.

4. No time restriction on building the residential lot. Non guild builder okay to build if and when we build.

5. Access to all pertinent business documents to help our due diligence.

6. Access for a building inspection.

7. Use of Ion Club for all wedding guests (only kidding on this one)

8. Boat docks to be deeded to the HOA.

9. HOA to provide access to the docks for Creek Club use.

10. Creek Club will provide an easement to the HOA to access the boat ramp,the boat docks, as well as use of some of the parking spaces in the adjacent parking lot.

You can call me or email to discuss. Lets try to get a contract done next week.

Thanks Mike Russo

In a message dated 7/2/2008 5:34:04 P.M. Eastern Daylight Time, chad@iongroup.com writes:

Mike,

See attached files. CV-5 is the overflow parking area TMS# 5350600219 and CV-6 is the Creek Club TMS# 5350600230. Creek Club is 44 Saturday Road. Overflow Parking does not have an actual address other than North Shelmore CV-5. Attached booking log last updated April 2008. I am not sure what additional events are scheduled. No commissions that I am aware of paid to I'On Realty.

CONFIDENTIAL

Send me your proposal tomorrow by email. I will be traveling and will review between flights and forward to Vince for discussion.

Thanks,

Chad

Chad Besenfelder

159 Civitas Street

Mt. Pleasant, SC 29464

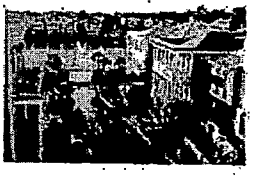
Direct: 843.284.2129

Fax: 843.971.1664

Email: chad@iongroup.com

Website: www.iongroup.com

I'ON



CONFIDENTIAL

From: MRUSSO7465@aol.com
Sent: Sunday, July 13, 2008 10:32 AM
To: Chad Besenfelder
Subject: Re: Confidential Creek Club info

Chad

I have not heard back in from you in regards to the Creek Club. How would you like to proceed maybe a meeting to discuss the proposal. Let me know. Thanks Russo.

In a message dated 7/9/2008 12:17:25 P.M. Eastern Daylight Time, chad@iongroup.com writes:

Mike,

Please send me your proposal. I did not receive your last email. Thanks,

Chad

From: MRUSSO7465@aol.com [mailto:MRUSSO7465@aol.com]
Sent: Wed 7/2/2008 4:55 PM
To: Chad Besenfelder
Subject: Re: Confidential Creek Club info

I still need those bookings as well as the actual addresses and tax map numbers/lot numbers of the Creek Club, adjacent residential lot, adjacent parking area and overflow event parking areas. Also need to know if this is a commission sale to Ion Realty and if so is there a split payout to buyers agent. I will have you an offer in hand tomorrow if you can get me this info. Thanks Russo.

In a message dated 7/2/2008 2:42:33 P.M. Eastern Daylight Time, chad@iongroup.com writes:

Creek Club Deposits (actual cash receipts) on the books total $150,126.

Please keep this confidential. I am still working on number of rentals for 2008/2009.

Get the scoop on last night's hottest shows and the live music scene in your area - Check out TourTracker.com!

Get the scoop on last night's hottest shows and the live music scene in your area - Check out TourTracker.com!

CONFIDENTIAL

From: MRUSSO7465@aol.com
Sent: Thursday, July 17, 2008 3:21 PM
To: Chad Besenfelder
Subject: Re: Confidential Creek Club info

Chad

I spoke with Vince on Tuesday and he informed me that until CM7 was resolved he was not going to respond to our proposal. After discussions with my partners we once again feel CM7 has nothing to do with the potential Creek Club deal. The only reason we can see is to try to influence our negotiations with Tom . Frankly we find this similar to the situation that transpired prior to closing on 140 Civitas. You have had our proposal for over a week and we will wait until 5:00 PM Friday July 18, 2008 which at that time we respectfully withdraw our proposal. We cannot sit and wait for the CM7 situation to finish I need to either make a deal now so I can concentrate on opening and operating the Inn and restaurant over the next few months. We had hoped to make a deal early with a closing in six months thus giving me time to handle both . Since this does not seem like it will work for you , I would rather pull back and wait until next year to see if we are indeed still interested . If I am wrong about my assumptions please respond and lets begin discussions of our proposal.

Respectfully;
Mike Russo

In a message dated 7/5/2008 12:43:24 P.M. Eastern Daylight Time, MRUSSO7465 writes:

Chad,

Sorry it took so long but got tied up with personal stuff for the 4th.
Here is an outline we are proposing for a contract.

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6. Access for a building inspection.

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CONFIDENTIAL

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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

CONFIDENTIAL

I'ON

From: MRUSSO7465@aol.com [mailto:MRUSSO7465@aol.com]
Sent: Wednesday, July 02, 2008 4:56 PM
To: Chad Besenfelder
Subject: Re: Confidential Creek Club info

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Gas prices getting you down? Search AOL Autos for fuel-efficient used cars.

Get the scoop on last night's hottest shows and the live music scene in your area - Check out TourTracker.com!

CONFIDENTIAL

From: MRUSSO7465@aol.com
Sent: Friday, July 25, 2008 3:38 PM
To: Chad Besenfelder
Subject: Re: Creek Club Sale

yes can I sign it today? Russo

In a message dated 7/25/2008 11:11:00 A.M. Eastern Daylight Time, chad@iongroup.com writes:

> Mike,
>
> Would you be willing to sign a confidentiality agreement before we move forward with the Creek Club sale negotiations? I am having one drawn up today.
>
> Chad

Get fantasy football with free live scoring. Sign up for FanHouse Fantasy Football today.

CONFIDENTIAL

From: MRUSSO7465@aol.com
Sent: Monday, July 28, 2008 5:03 PM
To: Chad Besenfelder
Subject: Re: Creek Club Sale

If we do not have it all tomorrow morning we will take a pass. Sorry Russo.

In a message dated 7/28/2008 5:00:00 P.M. Eastern Daylight Time, chad@iongroup.com writes:

> The confidentiality agreement is completed and sent to Vince for approval. I will call you as soon as I have the green light.
>
> The proposal is complete also.
>
> Chad

Chad Besenfelder

159 Civitas Street

Mt. Pleasant, SC 29464

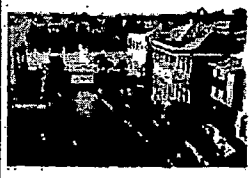
Direct: 843.284.2129

Fax: 843.971.1664

Email: chad@iongroup.com

Website: www.iongroup.com

I'ON



PLAINTIFF'S EXHIBIT 123

CONFIDENTIAL

From: MRUSSO7465@aol.com [mailto:MRUSSO7465@aol.com]
Sent: Friday, July 25, 2008 3:38 PM
To: Chad Besenfelder
Subject: Re: Creek Club Sale

yes can I sign it today? Russo

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Mike,

Would you be willing to sign a confidentiality agreement before we move forward with the Creek Club sale negotiations? I am having one drawn up today.

Chad

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Get fantasy football with free live scoring. Sign up for FanHouse Fantasy Football today.

CONFIDENTIAL

From: MRUSSO7465@aol.com
Sent: Thursday, July 31, 2008 3:50 PM
To: Chad Besenfelder
Subject: Purchase offer for creek club and lot 275

Chad

Thanks for the meeting the other day. I think we are close to making a deal.

Creek Club

1. August 30,2008 Purchase and sale Okay
2. Purchase Price for Club and overflow parking (CV-5 and CV-6) to be $1,750,000.00
3. Change Earnest to $25,000.00 and extensions to $10,000.00 time table is fine
4. okay
5. Deposits to be paid to seller at closing not applied to price.
6. okay
7. okay
8. okay
9. okay

Lot 275

1. okay
2. okay
3. price to be $250,000.00
4. Earnest $5,000.00 timetable okay
5. okay

Chad this will give the Grahams $50,000.00 in total earnest which I feel is adequate considering I have honored every deal I have brought to Ion realty and/or the Grahams. The combined money is $2,000,000.00 which is up $100,000 from our offer and very close to your counter. If you can make these numbers work we would like to receive a binding letter of intent with which we would give you $5,000.00 of the earnest money with the remaining $25,000.00 coming August 30, 2008 with the ratified Purchase and Sales agreement. This will give you time to formulate the paper work and Steve Spear time to get back from New Mexico. In the letter of intent you will agree not to negotiate or discuss the deal with any other prospective buyers and of course I am still under your confidentialality agreement.

Please call me to discuss, looking forward to a speedy reply.
Russo

Get fantasy football with free live scoring. Sign up for FanHouse Fantasy Football today.

CONFIDENTIAL

From: MRUSSO7465@aol.com
Sent: Tuesday, August 05, 2008 5:27 PM
To: Chad Besenfelder
Subject: Re: Purchase offer for creek club and lot 275

Any word on the last proposal ? I am getting real busy again with construction and would like to finish the deal. I also have a couple of questions about my lot on Georgetown. Call me. Thanks Russo

In a message dated 7/31/2008 3:49:49 P.M. Eastern Daylight Time, MRUSSO7465 writes:

Chad

Thanks for the meeting the other day. I think we are close to making a deal.

Creek Club

1. August 30,2008 Purchase and sale Okay
2. Purchase Price for Club and overflow parking (CV-5 and CV-6) to be $1,750,000.00
3. Change Earnest to $25,000.00 and extensions to $10,000.00 time table is fine
4.okay
5.Deposits to be paid to seller at closing not applied to price.
6.okay
7.okay
8.okay
9.okay

Lot 275

1. okay
2.okay
3. price to be $250,000.00
4. Earnest $5,000.00 timetable okay
5. okay

Chad this will give the Grahams $50,000.00 in total earnest which I feel is adequate considering I have honored every deal I have brought to Ion realty and/or the Grahams. The combined money is $2,000,000.00 which is up $100,000 from our offer and very close to your counter. If you can make these numbers work we would like to receive a binding letter of intent with which we would give you $5,000.00 of the earnest money with the remaining $25,000.00 coming August 30, 2008 with the ratified Purchase and Sales agreement .This will give you time to formulate the paper work and Steve Spear time to get back from New Mexico. In the letter of intent you will agree not to negotiate or discuss the deal with any other prospective buyers and of course I am still under your confidentialality agreement.

Please call me to discuss, looking forward to a speedy reply.
Russo

Get fantasy football with free live scoring. Sign up for FanHouse Fantasy Football today.

Looking for a car that's sporty, fun and fits in your budget? Read reviews on AOL Autos.

CONFIDENTIAL

From: MRUSSO7465@aol.com
Sent: Monday, August 11, 2008 4:11 PM
To: Chad Besenfelder
Subject: Re: Creek Club Offer

The revisions are correct I suggested doing a contract now that calls for $5,000 with the other $25000 on August 30 and starting the clock for due diligence,extentions etc on August 30 this way we do not need to waste the money with a binding letter of intent. Let me know if you agree.

Thanks...Russo

In a message dated 8/11/2008 3:02:18 P.M. Eastern Daylight Time, chad@iongroup.com writes:

Mike,

Please review the latest offer revisions. I can create an official contract for your review this week.

Creek Club:

1. A Purchase and Sale Agreement shall be executed on or before August 30. 2008.
2. Purchase price for the Creek Club and overflow parking area (CV-5 and CV-6) to be $1,750,000.
3. Earnest money: Initial deposit to be $25,000, refundable at any time prior to satisfactory conclusion of 60 days Inspection Period. At end of Inspection Period, earnest money to become non-refundable, and closing to take place within 30 days. Seller is willing to grant two additional 30-day extension periods beyond initial closing date, with Buyer paying Seller additional $10,000 non-refundable earnest payment for each extension. Earnest money is applicable to purchase price.
4. The I'On Club will disclose pertinent Creek Club business documents to be mutually agreed in a Purchase and Sale Agreement.
5. The Buyer will agree to honor Creek Club rental commitments and Seller agrees to pay renter deposits to the Buyer at closing.
6. The Buyer may access for building inspections during normal business hours with reasonable prior notice and not to interfere with events.
7. Boat ramp and dock to remain I'On Company property and will allow Creek Club buyer access. Subject to HOA approval, The I'On Company plans convey the docks and boat ramp to the HOA retaining continued easement access for both I'On Club and Creek Club events.
8. Cross use easement changes will probably be required and both parties must review and agree upon these changes – preferably during the Inspection Period.
9. The I'On Company and I'On Club have agreements with the I'On Assembly, and Olde Park and will provide those agreements to Buyer within 5-days of completion of Contract. We expect that parties must agree to changes, if any, prior to conclusion of Inspection Period.

Lot 275:

CONFIDENTIAL

1. Purchase and Sale Contract to be executed on or before August 30, 2008.
2. The P&S Contract shall be contingent upon prior Closing of the Creek Club.
3. Purchase price for residential Lot 275 is $250,000.
4. Earnest Money: $5,000. The l'On Company will allow up to 180 day due diligence period to obtain rezoning approval. Closing to take place the earlier of 210 days from contract date or 30 days from date of re-zoning.
5. The l'On Company will allow Buyer to use a non-guild builder and no build time required.

Looking for a car that's sporty, fun and fits in your budget? Read reviews on AOL Autos.

DRAFT 8/15/08

2008 I'On Purchase Agreement

Purchaser: Michael Russo and/or Assigns
(Name(s))
123 Cruckas St
(Street Address / P.O. Box)
Mt Pleasant SC. 29464
(City) (State) (Zip Code)
224-7348
Phone (Office) Phone (Home) Fax Number

Seller/Builder: I'On Club LLC
(Name(s))
159 Cunias Street, Mount Pleasant, SC
(Mailing Address)
843-884-3080
Phone (Office) Phone (Home) Fax Number

Property: Lot CV-5 and CV-6, 44 Saturday Road, as shown on the plat by Thomas + Hutton dated _____, 19____, having a latest revision date of _____, 19_____, and recorded in Plat Book EE, at Page(s) 573 in the RMC Office for Charleston County, South Carolina (the "Plat"), together with the single family dwelling and related improvements to be or being constructed thereon by Seller pursuant to this Agreement.

1. **Agreement to Buy and Sell:** In consideration of 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" and/or "Builder") 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 One Million Seven Hundred Thousand and No/100 Dollars (U.S. $ 1,750,000) (the "Purchase Price") as follows:

(a) Five Thousand and No/100 Dollars (U.S. $ 5,000) is being 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. AND Twenty Thousand and No/100 Dollars ($20,000) is being paid by Purchaser

(b) The balance (*Purchase Price less Earnest Money, plus $4000 for the Completion Deposit in Paragraph 3 below*) One Million Seven Hundred Twenty Five Thousand and No/100 Dollars (U.S. $ 1,725,000) shall be paid in cash or immediately available funds at the closing of the purchase and sale transaction contemplated by this Agreement (the "Closing"); and August 30, 2008

(c) The balance, as it may be adjusted to reflect any adjustments required as a result of change orders executed by Purchaser pursuant to the Construction Provisions attached as Exhibit "A."

THIS AGREEMENT IS SUBJECT TO BINDING ARBITRATION PURSUANT TO SECTION 15-48-10, ET SEQ. OF THE S. C. CODE OF LAWS (1976, AS AMENDED).

WCSR 90313.19

All amounts due hereunder shall be paid in immediately available funds. All deposits and other payments hereunder shall be made payable to Seller or an agent designated by Seller, and with respect to payments pursuant to clause (c) above, shall be due not later than 14 days after Purchaser's receipt of a monthly statement from Seller. Delinquent payments shall bear interest at the rate of 18% per annum from the date due until paid and all accumulated but unpaid interest shall be paid by Purchaser prior to delivery of possession pursuant to Paragraph 7(b) of this Agreement. Alternatively, Seller may, in its sole discretion, elect to treat any delinquency as default hereunder and proceed pursuant to Paragraph 10 of this Agreement.

3. **Earnest Money and Completion Deposit:** The Earnest Money shall be deposited into an escrow account maintained by the Listing Broker identified on the signature page of this Agreement. By initialing below, Purchaser acknowledges that such account need not be interest-bearing, but if interest-bearing, the Purchaser relinquishes all rights of ownership of the accrued interest on said deposit and acknowledges that the Seller shall donate all interest earned on such account to The I'On Trust, a nonprofit organization, or its assigns. The Earnest Money shall be credited to Purchaser at Closing (less $4,000 thereof to be held separately by The I'On Company, LLC or its assigns, as a house and landscaping Completion Deposit) or otherwise disbursed in accordance with the terms of this Agreement upon default of either party prior to Closing.

This $4000 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 Purchaser's 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 $4000 Completion Deposit will be refunded to the Purchaser. 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 $4000 Completion Deposit to The I'On Company, L.L.C., the parties hereby acknowledging and agreeing that such amount is reasonable and fair to reduce The I'On Company's damages due to such default, and is not to be deemed a penalty.

Purchaser's Initial _____ Date _____

4. **Closing:**

(a) The closing of the purchase and sale transaction contemplated by this Agreement ("Closing") shall be held on November 30; 2008 at 10:00 a.m. at the Buyer's attorney's office in Mt. Pleasant or Charleston, South Carolina, or such other time, date and place as the parties mutually agree in writing, but in no event shall the closing take place later than ten (10) days after the issuance of a certificate of occupancy, time being of the essence.

(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 indenture deed conveying good and marketable title to the Property, free and clear of all liens and encumbrances except for zoning and other applicable laws, Seller's construction loan (if any), 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", first recorded in Book C297, page 282 in the RMC Office for Charleston County, South Carolina, along with all amendments thereto subsequently recorded in the aforesaid RMC Office (collectively the "Declaration"), and all related documents referenced therein, and those set forth in the I'On Code;

(b) 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;

(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; and

(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 Pro-rations:** Seller shall pay for the preparation of the deed, the deed recording fee required pursuant to §12-24-10 *et seq.* of the S.C. Code of Laws (1976, as amended), recording of any lien releases, and Seller's attorneys' fees. Purchaser shall pay all other closing costs. Charleston County property taxes shall be pro-rated as of the date of Closing and Seller shall have deducted from the gross proceeds of sale Seller's pro-rata share thereof. ~~The annual assessments levied by I'On Assembly, Inc. (the "Assembly") shall be pro-rated as of the date of closing and paid by Purchaser as of the date of Closing. Seller shall have deducted from the gross proceeds of sale Seller's pro-rata share of the annual assessments. 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 By-Laws referenced in Paragraph 8, as the same may be amended from time to time.~~

7. **Construction of Improvements; Possession:**

(a) Seller shall cause a residential dwelling ("the Improvements") to be constructed on the Property in accordance with all applicable building codes and ordinances, the Construction Provisions attached hereto as Exhibit "A," and the Plans and Specifications attached hereto as Exhibit "B", as they may be modified by any change orders executed by the parties pursuant to the Construction Provisions. If not already commenced, Seller shall commence construction no later than 30 days after a building permit being made available by the Town of Mount Pleasant, 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. If construction has already commenced, the same shall be substantially complete and a certificate of occupancy issued within 12 months from the date of commencement of construction. Commencement of construction shall be deemed for purposes of this Agreement to start at the completion of the pouring of the footings for the approved residence on the Property. It is understood that the Improvements may be substantially complete even though minor punch list items and mechanical adjustments may not be completed.

(b) Seller shall deliver possession of the Property to Purchaser within 10 days after issuance of a certificate of occupancy for the Improvements. Possession shall be deemed delivered when Seller delivers to Purchaser or Purchaser's representative all keys to the Improvements and any warranty documents applicable to the Improvements, whether or not Purchaser actually commences occupancy on that date. Purchaser shall be responsible for paying all utility deposits, connection charges, interior service fees and similar fees applicable to the Property which are imposed by governmental entities or utility companies, including any cable television, telephone, internet or other similar provider, for services provided to the Property after delivery of possession.

7. Possession is ~~delivered~~ delivered at time of Closing.

8. **Disclosures:**

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

Purchaser's Initial _____ Date _____

(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 levied against the property is the personal obligation of the Purchaser in the same manner as they are the personal responsibility of all members owning property in I'On.

(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 enters onto any area of construction, they do so at their own risk, and neither The I'On Company, LLC, Purchaser's 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 including, but not limited to, those set forth in the Governing Documents listed in Paragraph 8 (a) above.

(e) **No Joint Venture:** Purchaser acknowledges that Purchaser's Builder is not a subsidiary or joint venture partner of, or otherwise affiliated in any way with The I'On Company, LLC. Purchaser agrees to look solely to Builder for performance of Builder's obligations and duties under or related to this Agreement.

(f) **Approved Builder; Third-Party Beneficiary:** 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.

9. **No Reliance:** 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 prior to the execution hereof.

10. **Default and Remedies:** Subject to Paragraph 17 below providing for arbitration of all disputes hereunder:

(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 and fair estimate of Seller's damages and is deemed not to be a penalty. PURCHASER SHALL HAVE 60 DAYS DUE DILIGENCE PERIOD FROM DATE OF RATIFICATION. $25,000 EARNEST MONEY WILL BE REFUNDABLE AT ANY TIME DURING DUE DILIGENCE PERIOD. AFTER THE 60 DAY DUE DILIGENCE PERIOD EARNEST MONEY WILL BECOME NON-REFUNDABLE.

(ii) In the event of Purchaser's default after Closing in the performance of any obligation or covenant hereunder or under Purchaser's indenture deed from Seller, then in addition to the remedies set forth for specific events of default in this Agreement, Seller may elect to complete the Improvements and file a lien against the Property to secure any amounts unpaid by Purchaser under this Agreement, which lien may be enforced in the same manner as mechanics' and materialmen's liens under South Carolina law, and/or pursue any and all other remedies available to it at law or in equity. Purchaser hereby expressly consents to such completion of improvements by Seller as set forth in this paragraph.

(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 as its sole remedies (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. Nothing herein shall limit Purchaser's remedies in the event that Seller's default is due to failure to complete the Improvements within the time period required by the Construction Provisions, if Purchaser is entitled to such by operation of law.

(c) **Notice of Default and Right to Cure:** Notwithstanding anything to the contrary in this Paragraph 10, neither Seller nor Purchaser shall be entitled to exercise its remedies hereunder until the non-defaulting party has given the defaulting party at least 5 days' written notice of such default, in the case of a monetary default, or at least 14 days' written notice of such default, in the case of a non-monetary default, specifying the action necessary to cure such default, and if such default is cured during such 5-day or 14-day period, respectively, this Agreement shall continue in full force and effect. Notwithstanding the foregoing, in the event of a repeated default of the same nature by the same party within the same 12-month period, no further notice of default shall be required before the non-defaulting party may exercise its remedies under this Agreement.

(d) **Fees and Costs:** If either party requires services of an attorney to enforce obligations under this Agreement, the prevailing party shall be due from the non-prevailing party reasonable attorneys' fees, costs and expenses actually incurred.

(e) **Escrow Agent:** If a dispute arises between Purchaser and Seller concerning the entitlement to and disposition of an Earnest Money deposit, or other money deposited with the escrow agent, and the dispute is not resolved by reasonable interpretation of the Agreement by the parties, then the escrow agent shall hold said Earnest Money and/or deposits until the dispute is resolved by:

(i) a written agreement which directs the disposition of monies and is signed by all parties claiming an interest in the monies. The agreement must be separate from the contract which directs the escrow agent to hold the monies; or,

(ii) an award rendered by an arbitrator(s) pursuant to Paragraph 17 below.

Seller agrees that if this Agreement is terminated under Paragraph 10(a) above, whether by written agreement of the parties or by arbitration award, then the escrow agent shall be entitled to retain one-half of the balance of the Earnest Money deposit (not to exceed the amount of the commission due for this sale). The remainder shall then be paid to the Seller. Both parties agree to hold the escrow agent harmless with respect to its handling of the Earnest Money.

11. **Construction and Modification of Agreement; Applicable Law; Survival; Time of Essence:** The parties covenant and agree that this Agreement, together with any Addendums, exhibits or attachments, (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 and any Exhibits or Addendums attached hereto which contemplate performance after Closing shall survive the Closing and shall not be merged into or with the indenture deed of conveyance. Time is of the essence for this Agreement.

12. **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 by indenture deed requiring an assumption by the transferee of Purchaser's obligations under this Agreement and the Purchaser's indenture deed from Seller, specifically including but not limited to an assumption of Purchaser's specific time limitations for performance in place at the time of such transfer. This Agreement may only be assigned with Seller's written consent, which shall not be unreasonably withheld.

13. **Notice:** Any communication under this Agreement shall be deemed duly given if in writing and either (i) deposited, postage prepaid in the United States mail, certified mail with a return receipt requested, (ii) delivered personally, or (iii) 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.

14. **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.

15. **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.

16. **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 Purchaser in this transaction, and Listing Broker shall pay any real estate commission to which such Selling Broker may be entitled in accordance with Listing Broker's cooperating brokerage policies.

Purchaser's Initial _____ Date _____

Seller's Initial _____ Date _____

17. **Arbitration:** This Agreement and all claims or disputes arising out of or related to same are subject to binding arbitration in accordance with Section 15-48-10, et seq. of the South Carolina Code of Laws (1976, as amended). Arbitration of any such matters shall be done in accordance with the Construction Arbitration Rules of the American Arbitration Association unless the parties mutually agree otherwise. Notice of the demand for arbitration shall be served on the other party in the same manner as set forth in Paragraph 13 above, and any hearings shall be held in Charleston County, South Carolina at a mutually agreeable location. The award rendered by the arbitrator(s) shall specify the prevailing party, and shall be final, and judgment may be entered upon it in accordance with South Carolina law.

18. **Captions and Gender:** The captions used in this Agreement are for convenience only and shall not be considered in the construction of its provisions. In addition, all references to gender shall include the masculine, feminine and neuter genders as appropriate.

19. **Addendums:** Seller and Purchaser shall list all addendums to this Agreement below:

(a) Exhibit "A", Construction Provisions;

(b) Exhibit "B", Plans and Specs;

(c) Other exhibits or addendums: ADDENDUM C

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

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

Signed, sealed and delivered in the presence of:

_____

_____ (Printed Name)

_____

_____ (Printed Name)

SELLER: _____

By: _____

_____ (Printed Name)

Title: _____

Date: _____

Signed, sealed and delivered in the presence of:

_____

_____ (Printed Name)

_____

_____ (Printed Name)

PURCHASER: Michael Russo

By: Michael Russo (Printed Name)

By: _____

_____ (Printed Name)

Date: _____

SELLER'S AGENT: Name: I'On Realty Company, L.L.C. Address: 159 Civitas Street Mt. Pleasant, SC 29464 Phone: (843)884-3080; ext: _____ Agent: _____	Cooperating Agent Please Circle One and Initial & Date BUYER'S AGENT or REFERRING AGENT _____ _____ Initial Date Agency Name: _____ Agent: _____ Address: _____ _____ Phone: ( ) _____

523901/Cont/022798/jps

EXHIBIT "B"

PLANS AND SPECIFICATIONS

(1) [Attach approved Plans and Specifications.]

(2) List and describe documents included in item (1) above.

Addendum C to Purchase Agreement
by and between

M. Russo And/or Assigns ("Purchaser") & I'On Club, LLC ("Seller")

Property: Lot # CV-5 & Cycle, 44 Saturday Road, I'On Neighborhood, Mt. Pleasant, SC 29464

P&L, Rental Agreements, Vendor Contracts, Tax Records, etc.

1. The I'On Club will disclose pertinent Creek Club business documents to Purchaser.
2. Purchaser will agree to honor Creek Club rental commitments.
3. Seller agrees to pay renter deposits to the Purchaser at closing.
4. The Purchaser may access for building inspections during normal business hours with reasonable prior notice and not to interfere with events.
5. Boat ramp and dock to remain I'On Company property and will allow Creek Club buyer access. Subject to HOA approval, The I'On Company plans to convey the docks and boat ramp to the HOA retaining continued easement access for both I'On Club and Creek Club events.
6. Cross use easement changes will probably be required and both parties must review and agree upon these changes – preferably during the Inspection Period.
7. The I'On Company and I'On Club have agreements with the I'On Assembly, and Olde Park and will provide those agreements to Buyer within 5-days of completion of Contract. We expect that parties must agree to changes, if any, prior to conclusion of Inspection Period.
8. Seller is willing to grant two additional 30-day extension periods beyond initial closing date, with Purchaser paying Seller additional $10,000 non-refundable earnest payment for each extension. Earnest money is applicable to purchase price.
9. Purchase includes all fixtures, appliances, tables and chairs, and exterior furniture at the Creek Club.

Witness to Purchaser	Purchaser	Date
Witness to Purchaser	Purchaser	Date
Witness to Seller	Seller	Date
Witness to Seller	Seller	Date

MW

Agreements or easements with HOA

Agreements or easements with Old Park

Agreements or easements with Ion Club and/or members

Property Tax bills current

Insurance bills current

A letter from Tom giving us a 30 day extention on lot 275 if needed

I also believe that because of the civic zoning aspect we may end up having to take the docks a part of the deal and it may just be cleaner and easier that way. Of course we would honor all existing agreements and easements in place making it just "business as usual" which could avoid any problems with HOA . If we do proceed this way I would like information about the dock permitting and any applicable regulations.

Thanks.....Russo

In a message dated 8/19/2008 3:48:54 P.M. Eastern Daylight Time, chad@iongroup.com writes:

> Mike,
>
> I spoke with our attorney and he feels the contract is fine and will clean up today. I do not expect any problems. I told him it was a priority and he is going to get to it this evening. He works late so it may not be available until tomorrow.
>
> Chad

It's only a deal if it's where *you* want to go. Find your travel deal here.

Psssst...Have you heard the news? There's a new fashion blog, plus the latest fall trends and hair styles at StyleList.com.

PLAINTIFF'S EXHIBIT 128

CONFIDENTIAL

From: MRUSSO7465@aol.com
Sent: Tuesday, September 09, 2008 1:20 PM
To: Chad Besenfelder
Subject: Re: FW: Creek Club, Please keep confidential.

Chad
1.May need for Bank will let you know

2.Tax returns I am sure Bank wiill want so they can substantiate your profit and losses, may be a letter from your CPA with Tax Returns that have ben edited will surfice.

3. Check with Bud because doesn't Eliza have a commision based deal?

4. I need equipment leases

5. What about termite bond, maintenance for HVAC, Roof I would like to see everything Eliza can put together

6. I thought the discount comes through the Ion Club membership agreement. If that is so then your Ion Club membership agreements allow you to change the agreements with out the members approval. Also what is first priority? If this comes through Ion Club membership it can also be removed. So unless you specified these amenities in a separate agreement with Old Park it should not need to be renegotiated. Let may knowASAP.

7. Will still need Taxes and Ins.

8. Will await the letter

9. All I am saying is if the city opposes the zoning or the deal because of civic zoning issues or if the city is unwilling to allow us to keep the civic status that you agree to continue with the sale including the docks with us granting all necessary easements with "business as usual.

10. They need to be notified ASAP I do not want them to find out from someone else. Does Bud know yet?

In a message dated 9/9/2008 12:17:15 P.M. Eastern Daylight Time, chad@iongroup.com writes:

> Mike
>
> The I'On Club retained John Oliver, CPA with Dixon-Hughes accounting firm to help separate Creek Club from the balance of Club and provide meaningful financial reporting for both entities. John is assisting Merritt Farmer, I'On Club Controller, prepare separate financial statements for Creek Club for the current year as well as 2006 and 2007. Tom Graham told me this information would be available today but I would expect them tomorrow.
>
> Review information needed:
>
> Profit and losses from the first year through current (yearly)
>
> We will have 2006, 2007, and current year for you this week. Do you need from first year as indicated above?

Event bookings yearly from first year to current (give me 2009 also)

See attached

Give me rental rates with the bookings

See attached

Tax returns last three years

I will need to contact Tom Graham to release this information. I am not sure if this is obtainable since the CC combined with I'On Club

Any employment contracts

I made sure not to create employment contracts in the past due to pending Club exit strategy. I will double check with Bud.

Any vendor or service contracts

Again, I made no contracts with Creek Club operations. There may be an ice machine lease and a 30-day notice for landscape and pest control contractors. I suggest we check with Eliza to be sure.

Any maintenance records

I suggest Eliza create a maintenance record. Not much done other that resurfacing floors, adding new drapes, minor painting, landscape work (irrigation systems), insect repellant system, landscape lighting.

Agreements or easements with HOA

Agreements or easements with Old Park

Agreements or easements with Ion Club and/or members

See attached. The TIC/Olde Park official agreement not on digital file so I need more time locating original. I have a letter from Joe Griffith, Inc dated February 19, 1999 describing the Creek Club as an amenity and Olde Park residents having access to I'On Club, boat docks and Creek Club rental facility. In addition, Olde Park has first priority and discounted rates for Creek Club as I'On Club Members. I will need to work with Olde Park and revise this agreement. Worst case, if Olde Park does not agree to change agreement would you honor I'On Club member discounts (I think it is 10%). I will send you the agreement when I locate it.

Property Tax bills current

Insurance bills current

I will need this information from the club bookkeeper

A letter from Tom giving us a 30 day extension on lot 275 if needed

Tom Graham has agreed to write you a letter. I will draft a letter for him to sign.

Plat subdividing boat dock from Creek Club.
I contact Thomas and Hutton to provide us a plat subdividing the docks. I suggest we extend the HOA path from the boat ramp to the marsh path at Lot 275. This will protect access for residents.

TIC maintained a good relationship with the residents but this took an enormous effort on our part over the years. I understand that keeping the docks an entity of the Creek Club may help define the property Civic however, I would suggest we lead our initial idea of subdividing the docks and keeping TIC control. The docks were promised handover to the homeowners and Vince would like to honor that someday.

I will find out when Eliza and other club staff will be notified of Creek Club sale. I should have a key for you later today. Give me until 3PM.

Chad

Chad Besenfelder

159 Civitas Street

Mt. Pleasant, SC 29464

CONFIDENTIAL

Direct: 843.284.2129

Fax: 843.971.1664

Email: chad@iongroup.com

Website: www.iongroup.com

I'ON

From: MRUSSO7465@aol.com [mailto:MRUSSO7465@aol.com]
Sent: Friday, August 29, 2008 8:14 AM
To: Chad Besenfelder
Subject: Re: Creek Club

Chad

These are the things I need for due diligence, I may have more latter

Profit and losses from the first year through current(yearly)

Event bookings yearly from first year to current (give me 2009 also)

Give me rental rates with the bookings

Tax returns last three years

Any employment contracts

Any vendor or service contracts

Any maintenance records

Agreements or easements with HOA

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Agreements or easements with Old Park

Agreements or easements with Ion Club and/or members

Property Tax bills current

Insurance bills current

A letter from Tom giving us a 30 day extention on lot 275 if needed

I also believe that because of the civic zoning aspect we may end up having to take the docks a part of the deal and it may just be cleaner and easier that way. Of course we would honor all existing agreements and easements in place making it just "business as usual" which could avoid any problems with HOA . If we do proceed this way I would like information about the dock permitting and any applicable regualations.

Thanks.....Russo

In a message dated 8/19/2008 3:48:54 P.M. Eastern Daylight Time, chad@iongroup.com writes:

Mike,

I spoke with our attorney and he feels the contract is fine and will clean up today. I do not expect any problems. I told him it was a priority and he is going to get to it this evening. He works late so it may not be available until tomorrow.

Chad

It's only a deal if it's where *you* want to go. Find your travel deal **here**.

Pssst...Have you heard the news? There's a new fashion blog, plus the latest fall trends and hair styles at StyleList.com.

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From: MRUSSO7465@aol.com
Sent: Friday, September 12, 2008 11:48 AM
To: Chad Besenfelder
Subject: Re: FW: Meeting Monday 10 AM

I will be there.

In a message dated 9/12/2008 10:13:36 A.M. Eastern Daylight Time, chad@iongroup.com writes:

> Mike,
>
> Tom and Bud will review club financials today with CPA. I hope all goes well and they send you the information. I have to leave the office today to fill in for a golf tournament so I will have limited email and phone. I will be available tomorrow if needed. Tom and I are meeting at 10AM Monday to review the Creek Club sale and you are invited to attend. I want to create a timeline for due diligence and review the HOA meeting later this month.
>
> Chad

Chad Besenfelder

159 Civitas Street

Mt. Pleasant, SC 29464

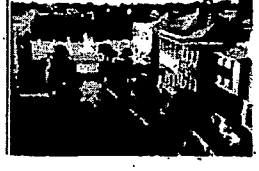
Direct: 843.284.2129

Fax: 843.971.1664

Email: chad@iongroup.com

Website: www.iongroup.com

I'ON



PLAINTIFF'S EXHIBIT 130

CONFIDENTIAL

From: Chad Besenfelder
Sent: Friday, September 12, 2008 10:05 AM
To: T Graham
Subject: Meeting Monday 10 AM

Tom,

Thank you for meeting on Monday. I am free at 10AM. Are you reviewing the Club Financials today? I would like to send these to Mike today if possible. If you and Bud agree, would Bud send to Mike by email?

MRUSSO7465@aol.com

Thanks,

Chad

Pssst...Have you heard the news? There's a new fashion blog, plus the latest fall trends and hair styles at StyleList.com.

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From: MRUSSO7465@aol.com
Sent: Monday, September 15, 2008 3:38 PM
To: Chad Besenfelder
Subject: Re: (no subject)

This was only in response to a statement you made last week that if the sale could not go through you had other people that wanted to lease it and that you may do that. We would just like to be given the first choice if the deal falls apart because of HOA or TOMP and you do not want to continue running it yourself. Just thinking ahead to worst case scenario never hurts to be prepared.

In a message dated 9/15/2008 12:14:21 P.M. Eastern Daylight Time, chad@iongroup.com writes:

Thanks Mike. I agree with all but not sure about the lease option. The club would most likely continue operating as is if sale did not take place.

Chad Besenfelder

159 Civitas Street

Mt. Pleasant, SC 29464

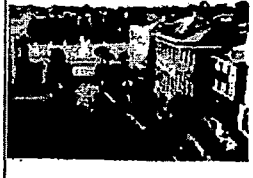
Direct: 843.284.2129

Fax: 843.971.1664

Email: chad@iongroup.com

Website: www.iongroup.com

I'ON



From: MRUSSO7465@aol.com [mailto:MRUSSO7465@aol.com]
Sent: Monday, September 15, 2008 12:07 PM

CONFIDENTIAL

To: Chad Besenfelder
Subject: (no subject)

Tom and I discussed the following items. Tom requested that I send all information together in a package when all is completed. Financials are holding me up so I may take a more active role to help move along.

1. CPA, Mac Martin, and controller finishing 2007 and 2008 financials and meeting Wednesday to review. I am not sure why delayed. Tom is a bit frustrated and assured me they will be ready. I will organize 2002 to 2006 P&Ls for you tonight to help speed things up. Club tax return information will not be available but Tom agreed the CPA will verify the financial information presented Wednesday.

   Hope that will be sufficient with bank

2. Organizing employee/vendor contract information including caterers, maintenance agreements, equipment leases, and other services. Confirming today.

   Will need to meet with Eliza at some point soon

3. HOA, Olde Park, and club member agreements reviewed. I believe the Olde Park agreement was recorded so looking into this for an official copy today.

4. Maintenance history and building/property details. Working on this today.

5. 30 day extension letter from Tom Graham for due diligence. (180 days to 210 days) Drafting a letter for Tom this week and will include in package.

Would also like to discuss us having the fist option to lease if we find a sale can not proceed legally because of zoning or civic use.

6. Subdivision of boat docks. Spoke with Elliotte Quinn and explained the situation. We will simply plat separating the docks and HOA path from the Creek Club keeping in I'On Club possession. Get approval from TOMP and then prepare for recording if deal goes through. There is no need to negotiate with HOA at this time. Financials are priority, then review civic use, then negotiate other details including HOA easements and turnovers.

Before you subdivide we need to make sure about the civic use implications. I still believe we will find that we may loose the civic use of the land when you take the docks out. We know the HOA is going to

push the TOMP about the civic use if the emails I have read are any indication of their plan. Define civic. I review CCRs, PUD, Little Learners suit, TOMP zoning. I read PUD, previous attorney work, and other documents. Will compile information in package.

8. HOA presentation. Do you want to present next week or extend the meeting until all the above information is available?

I certainly plan on attending and presenting our plan at the meeting next week. We need to be sure that we do not piss off the HOA or any other potential customers in this neighborhood. We intend on being proactive with our intentions not reactive. Remember I have a restaurant to operate.

I have meetings until 3:45PM today. I will call you later so we can meet if you have any questions.

Chad

Psssst...Have you heard the news? There's a new fashion blog, plus the latest fall trends and hair styles at StyleList.com.

Psssst...Have you heard the news? There's a new fashion blog, plus the latest fall trends and hair styles at StyleList.com.

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From: mrusso7465@aol.com
Sent: Wednesday, October 08, 2008 7:49 PM
To: Chad Besenfelder
Subject: Re: Numbers

Remember the numbers need to be certified by the CPA because we are not being given tax returns. I do not know how the meeting went last night with Sat. Rd residents since they would let me attend however I did discuss the project with the woman who called the meeting (who is a lawyer go figure) and she told me some of the residents want to possibly seek legal recourse to prevent a sale she said she did not favor that opinion but then how do you believe a lawyer. She was also present at the board meeting we attended. So I wonder why she held this other meeting. I do not have a good feeling about this one...Russo

-----Original Message-----
From: Chad Besenfelder <chad@iongroup.com>
To: MRUSSO7465@aol.com
Sent: Wed, 8 Oct 2008 5:40 pm
Subject: Numbers

Mike,

Tom asked me to put together the numbers for 2007 so I will begin tonight. It may take me tonight and a full day tomorrow to complete. Seems he can't wait on club. I have the information just need to pick it apart some and send to accountant tomorrow to confirm. I have year to date for 2008 but will send to you together. Please call me if you have any questions.

Chad

McCain or Obama? Stay updated on coverage of the Presidential race while you browse - Download Now!

CONFIDENTIAL

From: mrusso7465@aol.com
Sent: Monday, November 24, 2008 5:43 PM
To: Chad Besenfelder
Subject: Re: Creek CLub

yes how about 11 AM

-----Original Message-----
From: Chad Besenfelder <chad@iongroup.com>
To: mrusso7465@aol.com
Sent: Mon, 24 Nov 2008 5:34 pm
Subject: Creek CLub

Mike,

I have the new agreement. Do you want to meet tomorrow and review?

Traveling over the river or through the woods this holiday season? Get the MapQuest Toolbar. Directions, Traffic, Gas Prices & More!

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From: mrusso7465@aol.com
Sent: Saturday, November 29, 2008 11:01 AM
To: Chad Besenfelder
Subject: Re: Creek Club Purchase Aggreement

If you are back on Monday lets make sure we get together. I understand there is an election for 3 or 4 new board members to the HOA and all the candidates running have named the Creek Club as their main concern. I hope this doesn't set our time table back having to address everything with new board members. I will try and talk to Bruce and get his input on this.

-----Original Message-----
From: Chad Besenfelder <chad@iongroup.com>
To: mrusso7465@aol.com
Sent: Tue, 25 Nov 2008 2:25 pm
Subject: Creek Club Purchase Aggreement

Mike, according to our attorney the cleanest way to make Creek Club revisions is to:

1) create a new contract for CV-5 (350k purchase price) between Russo and Tom, Vince and Geoff (as sellers) which grants a 60 day inspection period;

2) amend and restate the contract between I'On Club and Russo by--removing CV-5, apportioning the purchase price and earnest money between CV-5 and CV-6 and extending the inspection period by 60 days; and

3) amend the contract between TIC and Russo to extend the inspection period for 60 days.

I attached the aforementioned documents reflecting these changes for you to review. The new contract for CV-5 has been drafted using the I'On residential lot form--and certain provisions may not be applicable depending on use including I'On Assembly terms. If you have any questions, please do not hesitate to contact me.

Chad

Tis the season to save your money! Get the new AOL Holiday Toolbar for money saving offers and gift ideas.

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From: mrusso7465@aol.com
Sent: Tuesday, December 02, 2008 6:21 PM
To: Chad Besenfelder
Subject: Fwd: Creek Club

-----Original Message-----
From: Matt Walsh <matt.e.walsh@gmail.com>
To: mrusso7465@aol.com; Bruce Kinney <bkinney94@gmail.com>; Amy Melvin <amelvin@leathbouchlaw.com>
Sent: Mon, 1 Dec 2008 1:57 pm
Subject: Re: Creek Club

Mike,

I understand that you all need to do what is best for your business. I am sure you can understand the HOA board needs to act in the same way for its members. We should have document(s) for your review in the next few days.

Having the documents signed at closing, would be in advance of the purchase and would suffice.

No one is/was threatening you or your business. In fact I would tell you that Bruce and I have gone out of our way to help you realize the most successful outcome in this transaction. I fear that we are now moving in a direction that will be met with great discontent from the HOA. That was what we were trying to avoid. This sale will divide the Assembly and I would imagine that there will be members who will take action. Please do not take that as a threat. It is not one. It is simply my opinion of the feedback I have gotten over the last few months.

Have a nice day.

Matt

On Mon, Dec 1, 2008 at 1:09 PM, <mrusso7465@aol.com> wrote:
We have been advised that a lease back situation is not in our best interest and have decided that is not an option any longer. The attorney we meet with seemed to believe documents can be made that will give us protection from future action of the HOA. Although nothing is sure fire. We also feel very safe in the continued civic use of the property. Our research has shown that ownership has nothing to do with the civic use or the zoning. Our concern is not future legal action nor threats of such but coming up with documents that can make the neighborhood happy without giving up ownership.Which by the way would make financing almost impossible in todays climate. Also any documents would have to be signed at the closing for the Grahams have made it clear they are not interested in getting involved with any changes the HOA may request in association with this sale. again let me state that ownership has no reflection on the use or zoning which we have no intentions of changing either.

Thanks for your concern and advise. II remain available to meet and discuss the situation with you or anyone else.

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Mike Russo

-----Original Message-----
From: Matt Walsh <matt.e.walsh@gmail.com>
To: mrusso7465@aol.com
Cc: bruce kinney <bekinney@comcast.net>; amelvin@leathbouchlaw.com
Sent: Mon, 1 Dec 2008 11:33 am
Subject: Re: Creek Club

Mike,
I thought it would be beneficial for me to sound in on this. A couple of things to consider around the Lease:

- Community support would be tremendous
- You would be protected from future boards who may challenge the zoning of the grounds and your use
- Should you need it, you wold have an asset to sell that is substantially the same as owning the grounds, without the fear of a new buyer that the HOA would challenge the zoning restrictions and use of civic property. This is important. We want to see you and your partners have a successful business, and benefit from a mutually beneficial relationship. That might not be the same with a more aggressive board who could be willing to file suit against the owner for misuse of the land. A leas hold solves these aforementioned potential problems.

That said, should a leasehold be impossible for you and your partners to see the value in, we need to agree to a document that would replace the existing easement between the owner and the HOA. We have just received the initial draft from our attorney, and hope to have something to share with you by mid week. We are working as quick as we can. Without an agreement between the three parties (Buyer, Seller, and HOA) **in advance of your purchase**, we will be in a bad spot and one that forces us to question the use of the land as commercial rather than civic. This would prove to be costly for all three parties and is something we should all strive to avoid. Please know that we are working on this as quickly as we can. I encourage you to consider the benefits of having and holding a lease to the grounds. I look forward to speaking with you soon.

Good luck with the Inn. Feel free to contact me directly should you have any questions.

Best,
Matt Walsh
[redacted]

On Sun, Nov 30, 2008 at 2:57 PM, bruce kinney <bekinney@comcast.net> wrote:
Mike,

I'm sorry that you thought the meeting was to outline financial advantages of buying a leasehold. Structuring the transaction as a lease is preferred by the HOA, and my goal was to show that your business model would work just as well with either a lease or a sale given the zoning and use agreements we've already discussed. I also wanted to reiterate the mutual benefits of documenting our agreements, and I think we all saw the benefit of working together.

We had hoped to have a first draft of documents ready last week, but given the Thanksgiving holiday, that wasn't possible. I'll contact you on Monday to update the timetable. I am not aware of any movement to elect new board members who are opposed to the Creek Club sale. But since there will be at least two new board members next year, I also would like to have something to present to the HOA as soon as possible.

My Thanksgiving was great, and I hope yours was as well. The Inn and new mural are both looking good.

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Bruce

From: mrusso7465@aol.com [mailto:mrusso7465@aol.com]
Sent: Saturday, November 29, 2008 11:37 AM
To: bekinney@comcast.net
Subject: Creek Club

Bruce

I met with my Tax practioner who felt there was not a significant advantage for us to lease, however he also said this subject was beyond his expertise. Also myself and my partners were under the impression that we were to meet with your expert at that last meeting who was going to explain to us the financial advantages of the lease. Steve actually felt his time was wasted just going over the same things we already had discussed, I may have to agree with him. at this point we are not interested in retaining a tax attorney to research this issue, again we thought you had. We would be more than happy to reveiw any research you may want to present to us, but now time is of the essence. More importantly I think you need to have your attorney focus on preparing the other documents you wish us to reveiw in association with the sale for it will take a major revelation for us to agree to a lease deal and the Grahams are only going to wait so long.

One of my partners has also brought to my attention that there are new people running for election for board seats Dec. 11, 2008, and all of them name the Creek Club sale as their major concern. Is there a movement to elect members against the sale that we need to be conerned about? All the more reason for you to come up with a document we can all sign. Needless to say I am overloaded with work trying to get the Inn and restaurant finished, opened and operational. I will need you to carry the ball on your end to move this along. Right now I am beginning to question whether this deal is worth all the effort. If it doesn't get easier soon I am going to suggest to my partners we either withdraw or postpone the deal, however I don't think the Grahams will let us postpone.

Hope you have had a good holiday,

Russo

Tis the season to save your money! Get the new AOL Holiday Toolbar for money saving offers and gift ideas.

Matthew Walsh
[redacted]
matt.e.walsh@gmail.com
<'}}}}}<

Tis the season to save your money! Get the new AOL Holiday Toolbar for money saving offers and gift ideas.

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--
Matthew Walsh
([redacted]
matt.e.walsh@gmail.com
<}}}}}<

Tis the season to save your money! Get the new AOL Holiday Toolbar for money saving offers and gift ideas.

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From: mrusso7465@aol.com
Sent: Tuesday, December 02, 2008 6:16 PM
To: Chad Besenfelder
Subject: Fwd: Creek Club
Attachments: Amended_Recreational_Easement[1].doc

read the ammendment that is attached from Matt Walsh and the HOA attorney. I guess they now want to own it without paying or leasing it. Please read and redline or tell me what things are different from the covenants they already have....Russo

-----Original Message-----
From: Matt Walsh <matt.e.walsh@gmail.com>
To: mrusso7465@aol.com
Cc: bekinney@comcast.net
Sent: Tue, 2 Dec 2008 12:42 pm
Subject: Re: Creek Club

Mike,

Attached is a draft of the necessary amendments to gain HOA support of your transaction. Ultimately these covenants and restrictions would be Incorporated into the existing easement entitled " recreational easement and agreement to share costs"
That document is the governing document of the relationship between the Creek Club owner and the HOA. Currently it also includes the I'On Club in such a way that no longer is applicable and as such we will write a new easement with the IOC and strike them from the easement.

The Easement requires that the owner and the HOA agree to any amendments. It is imperative that we come to an agreement on the amendments to the Easement first, and then you will need to get the Grahams on board to sign the amendment in advance of your purchase.

Again, this is a draft. Let me know what you think.

Matt

On Tue, Dec 2, 2008 at 11:35 AM, <mrusso7465@aol.com> wrote:
I know you guys are doing your best to help me, I am just getting buried from all sides right now.

Thanks...Russo

-----Original Message-----
From: bruce kinney <bekinney@comcast.net>
To: mrusso7465@aol.com
Cc: 'Matt Walsh' <matt.e.walsh@gmail.com>
Sent: Mon, 1 Dec 2008 10:59 pm
Subject: RE: Creek Club

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Mike, I think Matt already told you that our board meeting is next Thursday the 11th. So we're shooting to reach agreement by then. Believe me, Matt and I are working to make this happen.

From: mrusso7465@aol.com [mailto:mrusso7465@aol.com]
Sent: Monday, December 01, 2008 9:56 PM
To: bekinney@comcast.net
Cc: matt.e.walsh@gmail.com
Subject: Re: Creek Club

I did not know th eir patience was running out until today's meeting and that meeting was prior to my reading Matt's email saying that without a lease deal he thought HOA support would be difficult. I thought we were really close and told the Grahams that prior to my getting home and talking with Matt. Our due diligence doesn't run out until Jan. 1 but I have very limited time to work on this deal while I open the new business so I was requesting an extensions for several reasons , the HOA agreement only one of those reasons.

-----Original Message-----
From: bruce kinney <bekinney@comcast.net>
To: MRUSSO7465@aol.com
Cc: matt.e.walsh@gmail.com
Sent: Mon, 1 Dec 2008 7:04 pm
Subject: RE: Creek Club

Mike, a family emergency came up today and I have to fly to Chicago first thing in the morning. Matt is the other board member working on this with me, so I asked him to jump in to keep things moving. I have seen the emails and the first draft of documents. I'm sorry "patience" is running out, but until yesterday I'd never even heard that you'd finished your due diligence or what closing time was being considered. I plan to be back on Wed20afternoon, and still think we will have something for you to review mid week.

Bruce

=0 A
From: MRUSSO7465@aol.com [mailto:MRUSSO7465@aol.com]
Sent: Monday, December 01, 2008 5:53 PM
To: bekinney@comca st.net
Subject: Re: Creek Club

I thought I would hear from you today. Instead I have been talking with Matt Walsh. Hope you have seen the emails. My concern is growing. Met with both Grahams today and even though they support my efforts to gain HOA support ,they maintain they do not need anyones " permission or support " to sell the Creek Club property and even though I do not share that view I believe they are legally correct. That being said they seem to be willing to grant us a reasonable extension but I fear their patience is running out.I will know Tuesday what they consider a reasonable extension.

Thanks

Russo

In a message dated 11/30/2008 2:57:31 P.M. Eastern Standard Time, bekinney@comcast.net writes:

> Mike,
>
> I'm sorry that you thought the meeting was to outline financial advantages of buying a leasehold. Structuring the transaction as a lease is preferred by the HOA, and my goal was to show that your business model would work just as well with either a lease or a sale given the zoning and use agreements we've already discussed. I also

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wanted to reiterate the mutual benefits of documenting our agreements, and I think we all saw the benefit of working together.

We had hoped to have a first draft of documents ready last week, but given the Thanksgiving holiday, that wasn't possible. I'll contact you on Monday to update the timetable. I am not aware of any movement to elect new board members who are opposed to the Creek Club sale. But since there will be at least two new board members next year, I also would like to have som ething to present to the HOA as soon as possible.

My Thanksgiving was great, and I hope yours was as well. The Inn and new mural are both looking good.

Bruce

From: mrusso7465@aol.com [mailto:mrusso7465@aol.com]
Sent: Saturday, November 29, 2008 11:37 AM
To: bekinney@comcast.net
Subject: Creek Club

Bruce

I met with my Tax practioner who felt there was not a significant advantage for us to lease, however he also said this subject was beyond his expertise. Also myself and my partners were under the im pression that we were to meet with your expert at that la st meeting who was going to explain to us the financial advantages of the lease. Steve actually felt his time was wasted just going over the same things we already had discussed, I may have to agree with him. at this point we are not interested in retaining a tax attorney to research this issue, again we thought you had. We would be more than happy to reveiw any research you may want to present to us, but now time is of the essence. More importantly I think you need to have your attorney focus on preparing the other documents you wish us to reveiw in association with the sale for it will take a major revelation for us to agree to a lease deal and the Grahams are only going to wait so long.

One of my partners has also brought to my attention that there are new people running for election for board seats Dec. 11, 2008, and all of them name the Creek Club sale as their major concern. Is there a movement to elect members against the sale that we need to be conerned about? All the more reason for you to come up with a document we can all sign. Needless to say I am overloaded with work trying to get the Inn and restaurant finished, opened and operational. I will need you to carry the ball on your end to move this along. Right now I am beginning to question whether this deal is worth all the effort. If it doesn't get easier soon I am going to suggest to my partners we either withdraw or post pone the deal, however I don't think the Grahams will le t us postpone.

Hope you have had a good holiday,

Russo

Tis the season to save your money! Get the new AOL Holiday Toolbar for money saving offers and gift ideas.

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Tis the season to save your money! Get the new AOL Holiday Toolbar for money saving offers and gift ideas.

Tis the season to save your money! Get the new AOL Holiday Toolbar for money saving offers and gift ideas.

--
Matthew Walsh
[redacted]com
<}}}}}<

Tis the season to save your money! Get the new AOL Holiday Toolbar for money saving offers and gift ideas.

CONFIDENTIAL

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 l'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 l'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:

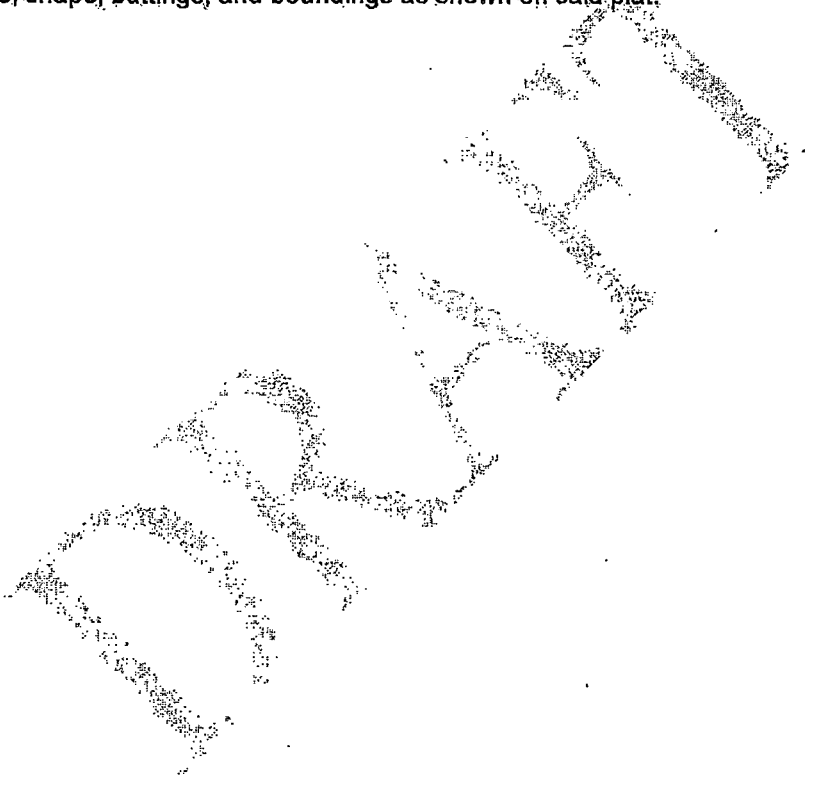
i. If to Creek Club Owner, at the address

ii. If to the Assembly, at the address

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.



CONFIDENTIAL

From: mrusso7465@aol.com
Sent: Thursday, December 11, 2008 2:44 PM
To: Chad Besenfelder
Subject: Re: Creek Club Agreements

I need cleaner agreements I do not want to show the lenders any changes nor do I want the HOA who may ask to see the contracts , to see any changes . Please get this done ASAP. Your changes are fine.

Thanks

Russo

-----Original Message-----
From: Chad Besenfelder <chad@iongroup.com>
To: mrusso7465@aol.com
Sent: Thu, 11 Dec 2008 12:40 pm
Subject: Creek Club Agreements

Mike, I have a meeting with the Grahams most of the afternoon so I would like to send notice to our attorney as soon as possible. I spoke with our attorney this morning and he suggests we handwrite the changes to the agreements. Are you okay with this or would you feel a cleaner version should be written? Please confirm the list of changes below:

1) Due Diligence of 60 days beginning January 1, 2009 for both CV-5 and CV-6 agreement
2) The two additional due diligence extension of 30 days each deposits to increase from $10,000 to $20,000 each.
3) Remove subdivision of docks from CV-6 agreement (paragraph (b) page 5). Docks will remain part of the Creek Club parcel.
4) Remove Membership in Assembly (paragraph (c) page 5) from CV-5 agreement (overflow parking lot)
5) Sale of CV-5 and CV-6 are sold together although written on separate sales agreements. I do not want to sell the parking lot without the creek club or vise versa.
6) Sale of Lot 275 still condition of Creek Club agreement. Due diligence extended 150 days from January 1, 2009. A simple amendment is drafted that will be attached to the original agreement.

Thanks.

I will not be available for most of the afternoon so email me.

Chad

Listen to 350+ music, sports, & news radio stations – including songs for the holidays – FREE while you browse. Start Listening Now!

CONFIDENTIAL

From: mrusso7465@aol.com
Sent: Tuesday, April 14, 2009 10:01 AM
To: Chad Besenfelder
Subject: Creek Club

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Chad

Steve Speer went Friday and Monday and spoke with our potential lenders. There is good news and bad news. They are both still interested in doing the deal. Bad news is they have convinced Steve that any price agreed upon back in Sept of 2008 is too high. Values have come down all over the country and are reflected here in all the recent Ion sales of homes and lots. We will not be able to proceed at the old price as I had hoped. To get us back and for us to have a good chance of getting the financing we will need a 20% reduction across the board. I know this will more than likely kill the deal but the reality is everything is worth less now. It would probably make more sense for them to operate for a few more years and wait for the values to come back up. Hope you understand.

Thanks
Mike Russo

A Good Credit Score is 700 or Above. See yours in just 2 easy steps!

From: Chad Besenfelder [chad@iongroup.com]
Sent: Monday, July 13, 2009 1:34 PM
To: mrusso7465@aol.com
Subject: FW: Lea Adkins and Walbeck Draft Complaint Creek Club
Attachments: Adkins and Walbeck.PDF; Draft Complaint.PDF; Walbeck Sales Contract.PDF; 1999 HUD Property Report (01493227).pdf; Property Report - Ion - Effective 041000-as submitted to HUD (01481395).pdf; Property Report - Ion - Effective 122900-as submitted to HUD (01481397).pdf; Lea Ann Adkins - 040109 recreational facilities.pdf

Please see attached.

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/>

From: Vince Graham [mailto:vince@iongroup.com]
Sent: Friday, July 03, 2009 11:40 AM
To: Bruce Kinney; matt.e.walsh@gmail.com
Cc: Chad Besenfelder; T Graham
Subject: Lea Adkins and Walbeck Draft Complaint Creek Club

FYI.

Name	Size	Modified	Comment
Untitled0	3,773,204	1/2/80 12:00 AM	

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.

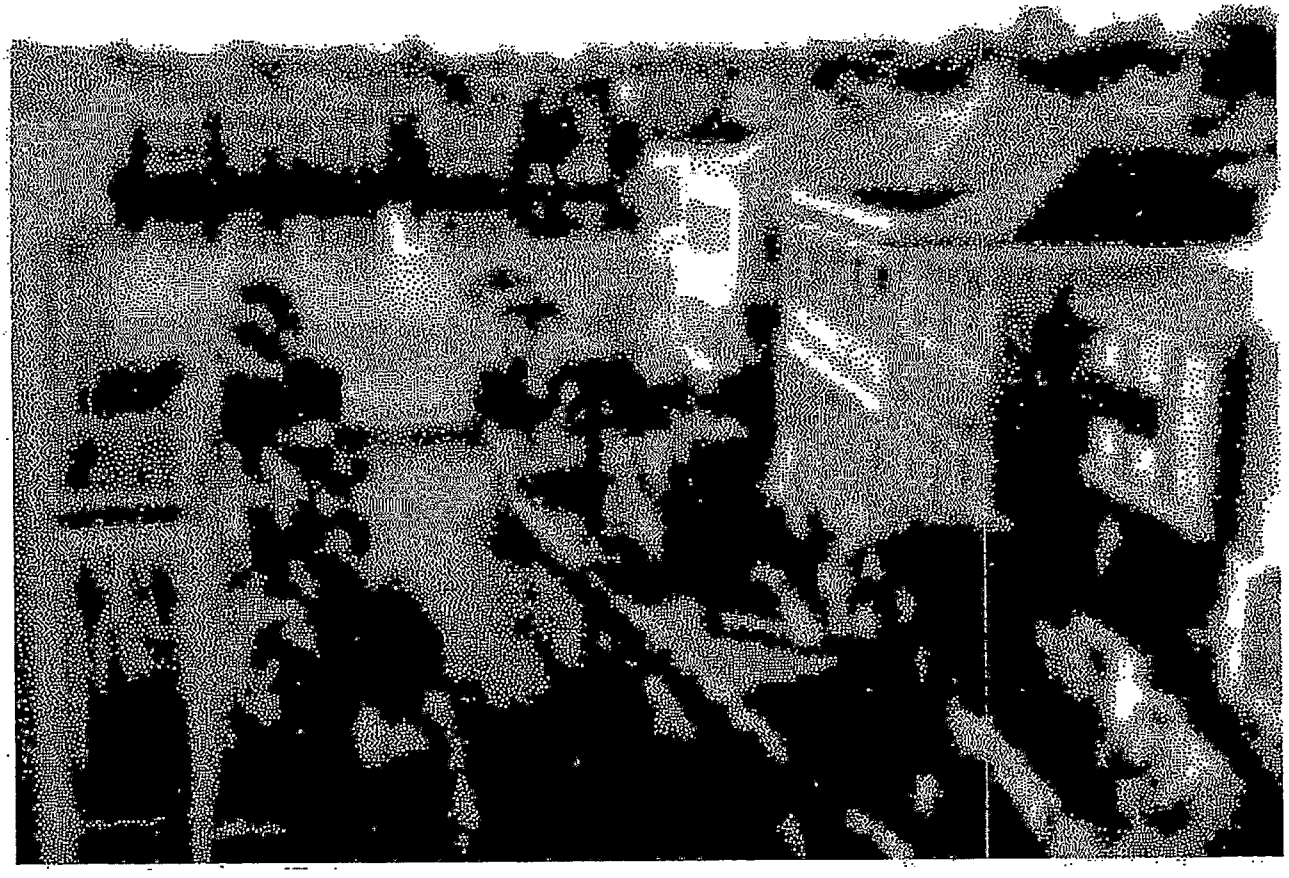
RECREATIONAL FACILITIES

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.

I'ON



APPENDIX 2942

NEXSEN|PRUET

Thomas S. Tisdale, Jr.
Member
Admitted in SC

RECEIVED JUN 29 2009

June 25, 2009

The I'On Company
c/o The I'On Group, LLC
159 Civitas Street
Mount Pleasant, SC 29464

Gentlemen:

This firm represents Lea Ann Adkins and Brad J. Walbeck who are property owners in I'On. Our clients contend that misrepresentations were made to them and contractual commitments have been breached by the I'On Company, and that other legal wrongs have been committed by The I'On Company or its agent(s) at or about the time they purchased property in the I'On development.

Charleston
Charlotte
Columbia
Greensboro
Greenville
Hilton Head
Myrtle Beach

The crux of their complaint against the I'On Company is that they were assured by various means that Creekside Park and the Community Dock would be conveyed to The Assembly which, as you are aware, is the homeowners' association of I'On property owners.

At the request of Mrs. Adkins and Mr. Walbeck, we have drafted a preliminary Complaint containing most, but perhaps not all, of factual and legal basis for their claims. The Complaint has, of course, not been filed or served but is in draft form and does not necessarily represent the final version of any such Complaint that may subsequently be filed. In any case, enclosed herewith is a copy of the draft Complaint for the purpose of informing your company of the claims.

Our clients have been told by a representative of the I'On Company there is no room for discussion on the topic of properties offered in the HUD Property Report, which we understand amounts to a refusal to convey the properties. Further, correspondence sent to the Grahams from Mrs. Adkins about this situation was ever acknowledged. Our clients have come to believe this is the only manner left to seek a fair and promised result.

205 King Street
Suite 400 (29401)
PO Box 486
Charleston, SC 29402
www.nexsenpruet.com

T 843.720.1749
F 843.414.8220
E TTisdale@nexsenpruet.com
Nexsen Pruet, LLC
Attorneys and Counselors at Law

The purpose of this letter is to ask you and your counsel to review the claims that are proposed and to consider complying with the request of our clients that the property described in the Complaint be conveyed to the Assembly, as the Company represented that it would be when they purchased their property in the development. Such compliance by the Company would avert litigation and, we believe, would satisfy the claims as far as our clients are concerned. We are, of course, unable to speak for the interests of any other property owners with respect to any other claims that may be made.

This letter and the enclosed draft Complaint is being sent to you solely for the purpose of trying to resolve the claims now rather than later, and neither this letter nor the draft Complaint is to be used for any other purpose.

We are available if you or your counsel wish to meet with us concerning these matters to seek a reasonable conclusion to these claims.

Very truly yours,

Thomas S. Tisdale, Jr.

TST/taj
Enc.
cc: Mrs. Lea Ann Adkins
Mr. Brad Walbeck

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

RECEIVED
MAR 23 2016
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.

RECORD ON APPEAL
VOL. 6
R. pp. 2469-2960

Brian C. Duffy
Seth W. Whitaker
Julie L. Moore
Duffy & Young, LLC
96 Broad Street
Charleston, SC 29401
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Attorneys for Appellants

Justin O. Lucey, Esq.
Joshua F. Evans, Esq.
415 Mill Street
PO Box 806
Mount Pleasant, SC 29465
Phone: 843-849-8400
Attorneys for Respondents Brad J. Walbeck, and Lea Ann Adkins, individually and derivatively on behalf of I'On Assembly, Inc.

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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.

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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

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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;

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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

301,568

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.O.I. 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 ($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 _____

(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 JBB 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. Osborne
William H. Osborne (Printed Name)

(Printed Name)

PURCHASER:

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

By:
(Printed Name)

Date: 11/27/99

Signed, sealed and delivered in the presence of:

Linda M. Gorman
Linda M. Gorman (Printed Name)

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

By: JBB
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) ~~884~~ - 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: _____
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: 1/27/09

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~~ Stobblefield
Cant mod. 12/24/07 32

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: _____

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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PURCHASER RECEIPT, AGENT CERTIFICATION, AND
PURCHASER CANCELLATION PAGE ..... 35 & 36

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 Conveyance 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

l'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

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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 in Phase 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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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: _____

April 1, 2009

RECEIVED APR 0 3 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.*).

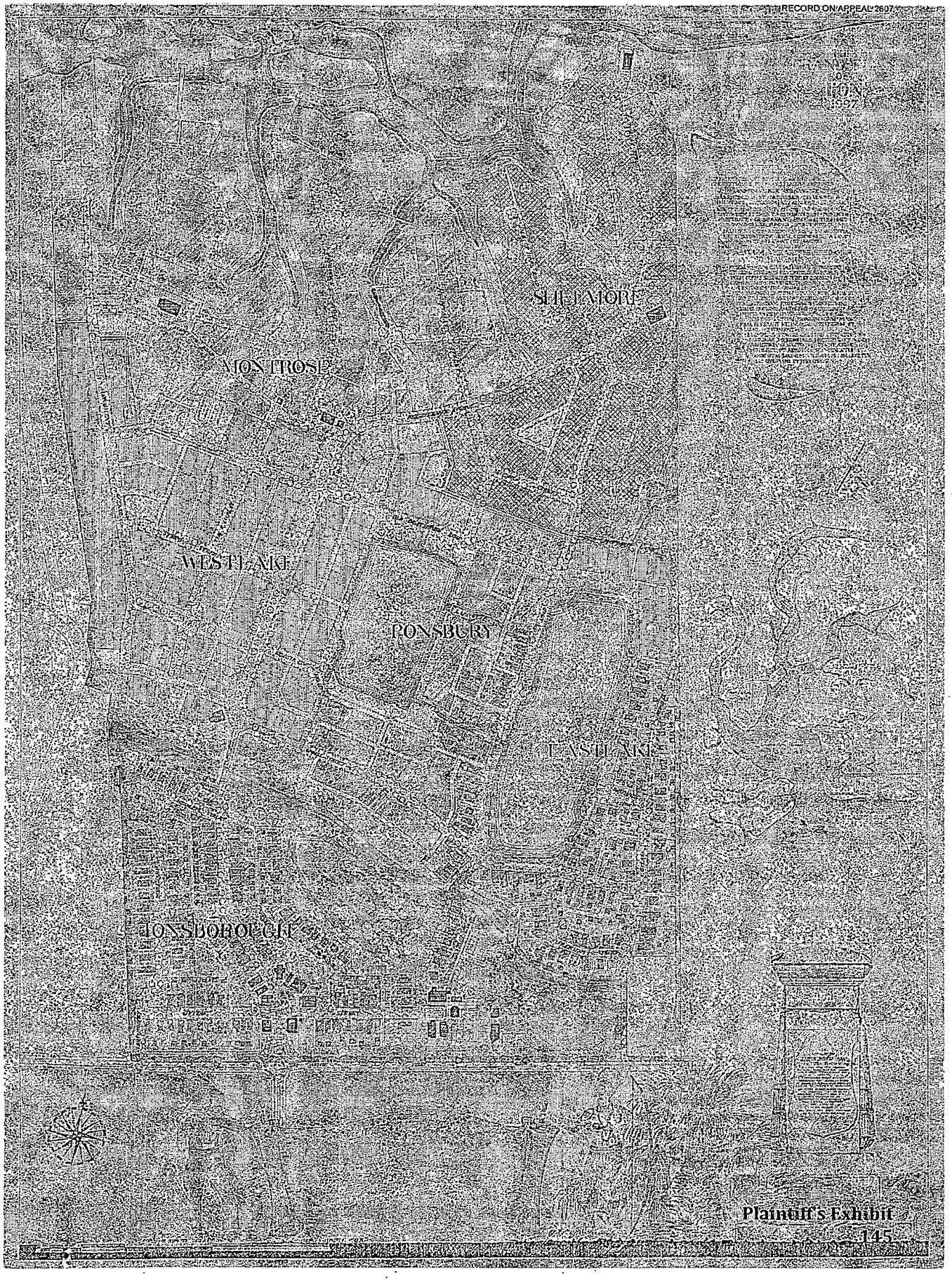
If you have questions related to this request, please contact me.

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.ionqroup.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

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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

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(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 MNS 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.

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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

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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:

CHAS. D. SESENTELDIR

SELLER:

Thomas C. Graham

Vincent G. Graham

Geoffrey D. Graham

BUYER

Michael Russo

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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-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

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

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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

{01377337.3}8

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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 7th 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.

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(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 MM MS 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 MM 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 MNS 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

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 Curtis 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

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MC Initials 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:

SELLER:

THE I'ON COMPANY, L.L.C.

By: The I'On Group, LLC
Its: Manager

By: Thomas C. Gaston

Its: Member

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

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:

SELLER:

I'ON CLUB, LLC

By: The I'On Group, LLC
Its: Manager

By: VINCENT GRAHAM
Its: MANAGER

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: _____
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 Segner - 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

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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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PLAINTIFF'S EXHIBIT 147

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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

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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

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.

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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: [signature] 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: Brian E. Woodward
Signature: [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: _____

PLAINTIFF'S EXHIBIT 150

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: L. Brigham Woodward
Signature: Date:

PURCHASER CANCELLATION

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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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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. Ackerman 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. Owens
Signature: William H. Owens 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

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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: [signature] Date: 11/24/98
Street Address: [redacted]
City Fairfax Station State VA Zip 22042

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: [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:

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: _____ 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. Wourwaco
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:

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

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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: O'On
Name of Salesperson: Peggy S. Cask
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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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: 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 ORAM
Signature: [signature] 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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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: [redacted]
Street Address: [redacted]
City [redacted] State [redacted] 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 14 Block — Section 00 Phase I-A
Name of Salesperson Peggy Shelton Castle
Signature: [redacted] Date: October 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:

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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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 L. Ebb 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:

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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X Received by: James F. Sill Margaret M. Sligh Date: December, 1998
X Street Address: [redacted]
X City Austin State Texas Zip 78724

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: Cathy Cashio
Signature: [signature] 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. Sligh 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]0

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: [signature] Date: JAN 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:

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

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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
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 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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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: [signature] 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 1-C
Name of Salesperson: [illegible]
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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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: _____ 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: _____
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: Dana L Wilder 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 Barbara E. Woodward
Signature: Barbara E. Woodward Date: 1/19/99

PURCHASER CANCELLATION

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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. [signature] 1/23/99

Received by: E F FULLABORN 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 E. WOODWARD
Signature: [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: [redacted] Date: January 28 1999
Street Address: [redacted]
City [redacted] State MD 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 144 Block [redacted] Section I'On
Name of Salesperson: [redacted]
Signature: [redacted] 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: 4/29/99
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

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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: Ralph Outler Date: 1/31/99
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 40 Block — Section I'On
Name of Salesperson: Peggy Shelton 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

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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: CHRIS ANDERSEN 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 I.C. Section
Name of Salesperson: BRENDA E. WOODWARD
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

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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: ANNE BONK Date: 2-6-99
Street Address: [redacted]
City [illegible] State SC Zip 29466-7963

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. Quarles
Signature: William H Quarles 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
copy forwarded to
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 _____
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

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: Margaret Lewis Miller Date: 2/1/99
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 33 Block 2 Section I'On
Name of Salesperson: [illegible]
Signature [illegible] Date: February 1, 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: _____

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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: 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: _____

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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: 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 S. 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
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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: [signature] 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: [signature] 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
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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: 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: Jessica E. Woodard
Signature: 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

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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: 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. O'Banion
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:

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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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Received by: _____ Date: 3-C-99
Street Address: _____
City _____ State _____ Zip _____

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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 I-A, I'ON
Name of Salesperson: Brigham C. Woodman
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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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: 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: Tony 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:

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Date of Contract: _____

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RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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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:

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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: [illegible] 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. Graves
Signature: William H. Graves 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:

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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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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 Date: April 8, 1999
Street Addres[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 Owens
Signature: William H Owens 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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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: _____ Date: 4/7/99
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:

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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: [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: [signature] Date: 4/7/99

PURCHASER CANCELLATION

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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: _____

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: 4/2/99
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 Pomsbury
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 Pembury
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: _____

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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: Regina Dickson 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 132 Block 6 Section C
Name of Salesperson
Signature: 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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Date of Contract:

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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: 11/21/98
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 44 Block _____ Section _____
Name of Salesperson: Brigham E. Woodward
Signature: [signature] Date: 9.18.99

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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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: Lon Stell 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:

Lon Stell

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 ~~2~~ Section ____
Name of Salesperson: Leslie Cole
Signature: Leslie Cole Date: 7/27/99

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:

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: Rebecca P. Holt 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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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: [redacted] Date: Mar. 11, 1999
Street Addre[redacted]
City Charleston State S.C. 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 [redacted] Section [redacted]
Name of Salesperson: [redacted]
Signature: [redacted] 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: _____

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: [illegible] John Morris Date: Mar 11, 1999
Street Address: [redacted]
City Charleston State S.C. 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: [illegible] Pasco S. Castle
Signature: [illegible] 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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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 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: [illegible]
Signature: [illegible] 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.

Purchaser(s) signature: Date:

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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Received by: _____ 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 Sawell St. Section _____
Name of Salesperson: Bethany 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.

Kelly Christine Smith
Received by: Charles Edward Smith, 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: Penny S. Castle
Signature: [signature] Date: 5/18/99

PURCHASER CANCELLATION

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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: _____

File
Lot
186

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: May 19, 1999
Street Addres[redacted]
City Berkeley State CA Zip 94704

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
Name of Salesperson: [illegible] E. Woodward
Signature: [illegible] 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:

Petitioner Signed to Peggy

RECEIPT, AGENT CERTIFICATION, AND PURCHASER CANCELLATION PAGE

PURCHASER RECEIPT

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X Received by: [illegible] Date: 5-21-99
X Street Addres: [redacted]
X 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 [illegible] Section [illegible]
Name of Salesperson: Peggy S. Cask
Signature: [illegible] Date: 5/19/99

PURCHASER CANCELLATION

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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 [illegible] State [illegible] Zip 3001[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 50 Block — Section —
Name of Salesperson: [illegible] Peggy S. Castle
Signature: [illegible] Date: 5-21-99

PURCHASER CANCELLATION

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Received by: Robert S. Rhode Date: 12/1/99
Street Addre[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 198 Block Section Phase 2-A
Name of Salesperson: Barbara E. Williams
Signature: Date: 5-25-99

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:

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Received by: [illegible] Date: 6/1/99
Street Address [redacted]
City Clinton Towns State NJ 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: Laura M. Thornhill
Signature: Laura M. Thornhill Date: 5/29/99

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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Date of Contract: _____

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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: 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 111 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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Purchaser(s) signature: _____ Date: _____

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Received by: Alicia A. Vanick 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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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: June 10, 1999
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:

PB PB United

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 [illegible] Date: 6/10/99

PURCHASER CANCELLATION

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Purchaser(s) signature: _____ Date: _____

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Received by: Frederick C. + Susan K. Van Dongen Date: June 11, 1999
Street Addr[redacted]
City [illegible] State: NC Zip 28614

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 46 Block — Section 200
Name of Salesperson: Peggy S. Caskie
Signature: Peggy S. 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 140 Block _____ Section _____
Name of Salesperson Blake E. Woodard
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: _____

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: Peggy Castle 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.

Received by: Elizabeth Jones Date: Oct 28 1999
Street Address: [redacted]
City Mt. Pleasant State SC Zip 29464

omsl

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 Flor L. Calogero Date: 7/30 9/1/99 JKC
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 Address: [redacted]
City _____ State SC 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 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
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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: 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 Sidmore
Name of Salesperson: Julie M. Thornhill
Signature: Julie 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: [redacted] 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: BEECHAM 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: Lisa S Dorsak 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. Cashie
Signature: Peggy S. Cashie 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:

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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: Jenn Hardrick 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:

Name of Subdivision: I'On
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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: Nancy B. Conrad Ronald Conrad Jr. Date: 10/3 [redacted]
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: 10/3/94

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: TON 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: 10/4/99
Street Address: [redacted]
City Bolton 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. Oram
Signature: William J Oram 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: TOn
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: 10/5/99
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 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:

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.

X Received by: Janet Sturgeon 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: Robert Ray S. Castle
Signature: [signature] 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:

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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: [illegible] Date: 10/4/99
Street Address: [redacted]
City W Ches State SH Zip 45766

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 P Section Salisbury
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

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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 Shpritzer 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 H. Oravec
Signature: William H. Oravec 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: PON
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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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 46949

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: Peggy S Caskey
Signature: [signature] Date: 10-2-99

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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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: Bonnie W. Marlin 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. Case
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

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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 Fenson Sr. 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 Sowle
Signature: [signature] Date: 10/28/99

PURCHASER CANCELLATION

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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: _____

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. Oravec
Signature: William H. Oravec 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: [signature] 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. Graves
Signature: [signature] 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:

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: 8/28/99
Street Address: _____
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 10a Block _____ Section Parsonage
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. Oakes Date: 8-26-1998
Street Addr [redacted]
City Mt. Pleasant State S.C. 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. Oakes
Signature: William H Oakes Date: 8-26-1999
DUM 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. Grange
Signature: _____ 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:

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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: [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 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:

Name of Subdivision: I'On
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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: 11/7/99
Street Address [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 Skelmore
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 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 158 Block _____ Section Ponshum
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

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Received by: [signature] 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 [illegible] Section [illegible]
Name of Salesperson: [illegible]
Signature: [signature] 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:

Name of Subdivision: I'On
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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: Marcus Vicki Mason Date: 11/29/94
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 Pushmataha
Name of Salesperson: Laurie Thornhill
Signature: Laurie Thornhill Date: 11/29/94

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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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: 11-29-99
Street Address: [redacted]
City [illegible] 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 42 Block [illegible] Section
Name of Salesperson: [illegible]
Signature: [signature] 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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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

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 [illegible]
Name of Salesperson: [illegible]
Signature: [illegible] 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:

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

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Received by: GRAHAM, ROGERS & ROGERS 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

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: William P. Hunt III Date: 12/22/99
Street Address: [redacted]
City Charleston S.C. 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

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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: [illegible] Date: 1/3/00
Street Addre[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 Shelmire
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:

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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: RICHARD W. RALFORD SR Date: _____

S [redacted]
C

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. ODANIEL
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:

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Date of Contract: _____

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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: Sarah Bennett Date: 11/10/2000
Street Addre[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: Tillar M. Thornhill
Signature: Tillar M. Thornhill Date: 11/10/2000

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: Regina P. Dillon 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:

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. Cook
Signature: Peggy S. Cook 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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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. Carlos Heluard

Received by: Carlos Cabo 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 2 Section 2
Name of Salesperson: Carlos Heluard
Signature: Carlos Heluard 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:

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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: 1-28-2000
Street Address: [redacted]
City [redacted] State [redacted] 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 285 Block – Section I'On
Name of Salesperson: Peggy S Caskie
Signature: [redacted] 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: _____

APPENDIX 3303

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: 1-25-2000
Street Address [redacted]
City [redacted] 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 06
Name of Salesperson: Peggy S. Caskie
Signature [redacted] 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: [illegible] Date: 1-29-2000
Street Address: [redacted]
City Mt Pleasant 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 [illegible] Section [illegible]
Name of Salesperson: [illegible]
Signature: [illegible] 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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APPENDIX 3305

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 Feb 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 L. Orange
Signature: William L 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. Deaner
Signature: William H Deaner 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 Rone 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: 2/27/02
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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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 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 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: [signature] 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: 2/29/00
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 W. O'Brien
Signature: William W O'Brien 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 Kennick 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] 5/4/00
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 Marque Date: 3-6-2000
Street Address: [redacted]
City: [redacted] State: [redacted] 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 265 Block — Section 180
Name of Salesperson: Tommy S. Cash
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: _____ 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: _____
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:

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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: [redacted] Date: March 8 2000
Street A[redacted]
City [redacted] 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 284 Block — Section 2 & 3
Name of Salesperson: Peggy S Caskie
Signature: [redacted] 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: [signature] 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 [illegible] Section [illegible]
Name of Salesperson: Peggy S Oaks
Signature: [signature] 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

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: 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. ORNDORF
Signature: William H Orndorf 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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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: _____ Date: Oct 8 2000
Street Address: [redacted]
City Windsor 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 10 Q
Name of SalesPerson: [illegible]
Signature _____ Date: 10/8/2000

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:

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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: 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 Q&O
Name of Salesperson: Peggy Easley
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

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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: 4/14/00
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

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 17, 2000
Street Address: [redacted]
City [redacted] 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 2 (Q)
Name of Salesperson: [redacted]
Signature: [redacted] 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: [redacted] Date: _____

Incorrect Signature

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: Rose 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: Jane D. Norris 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. 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:

[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] Date: 5/8/2000
Street Addr[redacted]
City Charlotte State SC Zip 2821[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 270 Block Phase II Section Shelmore
Name of Salesperson: Laurie M. Thornhill
Signature: Laurie 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]