

UNITED STATES BANKRUPTCY COURT District of South Carolina		PROOF OF CLAIM
Name of Debtor: The Cliffs Club & Hospitality Group, Inc. d/b/a/ The Cliffs Golf &	Case Number: 12-01220	
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing. You may file a request for payment of an administrative expense according to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Amy Habie		
Name and address where notices should be sent: Amy Habie 2200 Corporate Blvd., N.W., Suite 400 Boca Raton, FL 33431 Telephone number: (561) 886-6000 email: ahable@bsfilp.com		<div style="text-align: center; font-weight: bold; font-size: 1.2em;">RECEIVED</div> <div style="text-align: center; font-weight: bold; font-size: 1.2em;">MAY 31 2012</div> <div style="text-align: center; font-weight: bold; font-size: 1.2em;">BMC GROUP</div> <div style="text-align: center; font-weight: bold; font-size: 0.8em;">COURT USE ONLY</div> <input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ (If known) Filed on: _____
Name and address where payment should be sent (if different from above): Telephone number: email:		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.
1. Amount of Claim as of Date Case Filed: \$ <u>225,000.00</u> If all or part of the claim is secured, complete item 4. If all or part of the claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.		
2. Basis for Claim: <u>Refund of membership initiation deposits (see Attachment)</u> (See instruction #2)		
3. Last four digits of any number by which creditor identifies debtor:	3a. Debtor may have scheduled account as: _____ (See instruction #3a)	3b. Uniform Claim Identifier (optional): _____ (See instruction #3b)
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.		
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: _____ Value of Property: \$ _____ Annual Interest Rate _____ % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable (when case was filed)		Amount of arrearage and other charges, as of the time case was filed, included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____
5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507 (a). If any part of the claim falls into one of the following categories, check the box specifying the priority and state the amount.		
<input type="checkbox"/> Domestic support obligations under 11 U.S.C. § 507 (a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507 (a)(7).	<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before the case was filed or the debtor's business ceased, whichever is earlier – 11 U.S.C. § 507 (a)(4). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. § 507 (a)(8).	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. § 507 (a)(5). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. § 507 (a)(). Amount entitled to priority: \$ _____
*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.		
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)		



7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

8. Signature: (See instruction #8)

Check the appropriate box.

- ☒ I am the creditor. ☐ I am the creditor's authorized agent. ☐ I am the trustee, or the debtor, ☐ I am a guarantor, surety, indorser, or other codebtor.
(Attach copy of power of attorney, if any.) or their authorized agent. (See Bankruptcy Rule 3005.)
(See Bankruptcy Rule 3004.)

I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief.

Print Name: Amy Habie

Title: _____

Company: _____

Address and telephone number (if different from notice address above): _____

Amy Habie
(Signature)

5/30/12
(Date)

Telephone number: _____ email: _____

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, exceptions to these general rules may apply.

Items to be completed in Proof of Claim form

Court, Name of Debtor, and Case Number:

Fill in the federal judicial district in which the bankruptcy case was filed (for example, Central District of California), the debtor's full name, and the case number. If the creditor received a notice of the case from the bankruptcy court, all of this information is at the top of the notice.

Creditor's Name and Address:

Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. Amount of Claim as of Date Case Filed:

State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. Basis for Claim:

State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on delivering health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if an interested party objects to the claim.

3. Last Four Digits of Any Number by Which Creditor Identifies Debtor:

State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor.

3a. Debtor May Have Scheduled Account As:

Report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

3b. Uniform Claim Identifier:

If you use a uniform claim identifier, you may report it here. A uniform claim identifier is an optional 24-character identifier that certain large creditors use to facilitate electronic payment in chapter 13 cases.

4. Secured Claim:

Check whether the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See Definitions.) If the claim is secured, check the box for the nature and value of property that secures the claim, attach copies of lien documentation, and state, as of the date of the bankruptcy filing, the annual interest rate (and whether it is fixed or variable), and the amount past due on the claim.

5. Amount of Claim Entitled to Priority Under 11 U.S.C. § 507 (a).

If any portion of the claim falls into any category shown, check the appropriate box(es) and state the amount entitled to priority. (See Definitions.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

6. Credits:

An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

7. Documents:

Attach redacted copies of any documents that show the debt exists and a lien secures the debt. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary in addition to the documents themselves. FRBP 3001(c) and (d). If the claim is based on delivering health care goods or services, limit disclosing confidential health care information. Do not send original documents, as attachments may be destroyed after scanning.

8. Date and Signature:

The individual completing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. If you sign this form, you declare under penalty of perjury that the information provided is true and correct to the best of your knowledge, information, and reasonable belief. Your signature is also a certification that the claim meets the requirements of FRBP 9011(b). Whether the claim is filed electronically or in person, if your name is on the signature line, you are responsible for the declaration. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. If the claim is filed by an authorized agent, attach a complete copy of any power of attorney, and provide both the name of the individual filing the claim and the name of the agent. If the authorized agent is a servicer, identify the corporate servicer as the company. Criminal penalties apply for making a false statement on a proof of claim.

Creditor: Amy Habie

Debtor: The Cliffs Club & Hospitality Group, Inc., d/b/a The Cliffs Golf & Country Club

Case No: 12-01220

ATTACHMENT TO PROOF OF CLAIM

The creditor, Amy Habie ("Habie") is the owner of three (3) properties in the Cliffs Valley Community. As part of her purchase of each such property and with respect to each such property, she paid a \$75,000 membership "initiation deposit" to the Debtors¹ (\$75,000 for each property, or \$225,000 in total) which entitled her to membership in the Cliffs Club. Habie's payment of the initiation deposits was made under a Club Membership Addendum between Habie and the Debtors. Under the Club Membership Addendum, Habie is entitled to a refund of each such initiation deposit upon her resignation from the Cliffs Club or upon resale of the underlying real property.

While Habie has not yet resigned her Cliffs Club membership or sold any Cliffs Valley property, she reserves her right to take either action or any other action requiring the refund of her initiation deposits by the Debtors. Thus, Habie's claim against the Debtors is in the amount of \$225,000. Habie reserves her right to amend or supplement this proof of claim.

Documentation in support of Habie's claim is set forth in the attached Exhibits:

Composite Exhibit A: Real Estate Sale and Purchase Agreement for Lot 5 in the Cliffs Valley Community, Club Membership Addendum, Finance Addendum, Settlement Statement, Club Membership Promissory Note.

Composite Exhibit B: Real Estate Sale and Purchase Agreement for Lot 9 in the Cliffs Valley Community, Club Membership Addendum, Finance Addendum, Settlement Statement, Club Membership Promissory Note.

Exhibit C: Resale Contract for purchase of Lot 1 in Cliffs Valley Community.

Exhibit D: Invoice, dated April 30, 2012, showing membership dues for each of Habie's three (3) memberships with the Debtors.

¹ "Debtors" includes one or more of the jointly administered Debtors (and any predecessors in interest), which, followed by the last four digits of their respective taxpayer identification numbers and Chapter 11 case numbers, are as follows: The Cliffs Club & Hospitality Group, Inc. (6338) (12-01220); CCHG Holdings, Inc. (1356) (12-01223); The Cliffs at Mountain Park Golf & Country Club, LLC (2842) (12-01225); The Cliffs at Keowee Vineyards Golf & Country Club, LLC (5319) (12-01226); The Cliffs at Walnut Cove Golf & Country Club, LLC (9879) (12-01227); The Cliffs at Keowee Falls Golf & Country Club, LLC (3230) (12-01229); The Cliffs at Keowee Springs Golf & Country Club, LLC (2898) (12-01230); The Cliffs at High Carolina Golf & Country Club, LLC (4293) (12-01231); The Cliffs at Glassy Golf & Country Club, LLC (6559) (12-01234); The Cliffs Valley Golf & Country Club, LLC (6486) (12-01236); Cliffs Club & Hospitality Service Company, LLC (9665) (12-01237).

COMPOSITE EXHIBIT A

THE CLIFFS COMMUNITIES REAL ESTATE SALE AND PURCHASE AGREEMENT

THIS REAL ESTATE SALE AND PURCHASE AGREEMENT (the "Agreement") made by and between the below-named seller (the "Seller") identified on the Seller's signature page below (the "Seller"), and the below-named purchaser (the "Purchaser") identified on the Purchaser's signature page below.

Part I. Identifications

- A. **The Property and To-Be-Constructed Residence.** The "Property" to be purchased is identified as:
Section _____, Lot 5, House Model Wynfield, Elevation Type _____
in Cliffs Valley (the "Community").
The "Developer" of the Community is The Cliffs at Glaspay, Inc.

The purchase hereunder does not include a membership in the Cliffs Golf and Country Club (the "Club"), which is reserved solely to its members in accordance with the use rights conferred by the Club Membership Plan. Seller does not operate the Club. The Club is operated by The Cliffs Golf & Country Club, Inc., or by one of its Club affiliates. Seller will, however, discount the list price of the Property by \$35,000 if Purchaser agrees to acquire a membership and pay that amount at Closing toward a membership.

Check one of the following:

- ☒ If checked and initialed, Purchaser elects to acquire a membership in the Club. Purchaser will receive a \$35,000 discount off the list price, and will apply it toward the required membership deposit. A signed Club Membership Addendum is attached. If this paragraph is checked and initialed, the Lot Price Component shown in Exhibit "G" is net of the discount.
- ☐ If checked and initialed, Purchaser does not wish to acquire a membership in the Club at this time. Purchaser understands that membership is subject to availability at the time Purchaser may wish to acquire one, and is not guaranteed. Purchaser will NOT receive any discount off the listed Price because Purchaser elects not to receive a membership.

- B. **Payment of the Price.** The "Price" is the sum of the price of the Lot ("Lot Price Component"), discounted if applicable, the price of the residence and options, if any, (the "House Price Component") and the membership deposit payable to the Cliffs Club (the "Membership Component"), as provided in Exhibit "G" attached hereto and incorporated by reference, and payable as follows:

(i)	Initial Earnest Money Deposit. An Earnest Money Deposit paid to Escrow Agent herewith (Credited to Lot Price Component)	Total Price:	\$ <u>844,115.00</u>
(ii)	Additional Deposit Due. An additional Earnest Money Deposit due Escrow Agent within <u>0</u> days of the Effective Date hereof (Credited to Lot Price Component)		\$ <u>10,000.00</u>
(iii)	House Price Component. The House Price Component payable, in accordance with Section 10 of Part II, less mobilization costs at Closing in the sum of \$ <u>30,000.00</u> , paid in accordance with Section 10.1		\$ <u>0.00</u>
(iv)	Membership Component at Closing. The Membership Component, if any and as set forth in Exhibit "G," payable at Closing		\$ <u>469,115.00</u>
(v)	Balance at Closing. The balance required at Closing in cash or certified funds (remaining Lot Price Component plus mobilization costs at Closing listed under subparagraph (iii) above, but not including Purchaser's closing costs, prepaids, and escrow deposits)		\$ <u>75,000.00</u>
			\$ <u>290,000.00</u>

- C. **Association Assessments.** Purchaser acknowledges that assessments and working capital, as described in Section 7.4 of Part II of this Agreement, are due at the Closing and in the amounts set forth in the Additional Information Addendum attached hereto and made a part hereof by this reference.
- D. **Escrow Agent.** The "Escrow Agent" is Jeffrey H. Gray, P.C., whose address is set forth in Section 17.3 of Part II below; and all deposits to Escrow Agent should be made payable to **The Jeffrey H. Gray, P.C. Trust Account.**

Part II.
Terms and Conditions

For and in consideration of the Price set forth in Part I hereof and the mutual promises contained in this Agreement, Purchaser agrees to buy and Seller agrees to sell the Property, conditioned upon there having not been a sale to a third party prior to the receipt of this Agreement by Seller, properly executed by Purchaser, together with the Earnest Money Deposit as provided in Part I, and execution hereof by Seller.

1. **The Price.** Purchaser will pay the Price set forth in Paragraph B of Part I of this Agreement.

1.1 **Earnest Money Deposit.** The Escrow Agent will receive the Earnest Money Deposit set forth in Paragraph B of Part I, and will deposit said sums in its non-interest bearing escrow account, to be held by the Escrow Agent as the Earnest Money Deposit to be disbursed in accordance with this Part II. In the event of a termination of this Agreement under this Part II, except in the event of Purchaser's default (in which event the Earnest Money Deposit will be paid over to Seller as herein provided), all of the Earnest Money Deposit will be refunded to Purchaser without interest.

1.2 **Payments at Lot Closing.** At the Closing Escrow Agent will disburse the Earnest Money Deposit to the Closing Attorney. The Purchaser will pay, in addition to Purchaser's Closing costs, prepaids, and Closing escrow deposits required to be paid by Purchaser, the balance of the Lot Price Component, after credit for the Earnest Money Deposit, the required mobilization payment, to be credited against the last draw request for the House Price Component under Section 10.1 below, and the Membership Component payable for membership in the Club. The Price calculations for the Lot Price Component, the House Price Component and the Membership Component, if any, are detailed in Exhibit "G." Such amounts due in cash or by certified collected funds at Closing are set forth in Paragraphs B(iv) and B(v) of Part I above

2. **Financing**

2.1 **No Financing Contingency.** Purchaser acknowledges that this form of Agreement does not provide a financing contingency as a pre-condition to Purchaser obligations hereunder. Seller makes no representations as to the availability or terms of financing, and the duties of Purchaser and Seller hereunder are not contingent upon Purchaser obtaining financing, or obtaining financing with any specific terms or conditions unless Seller and Purchaser enter into a separate addendum hereto providing for the same.

2.2 **Purchaser's Responsibility.** Purchaser is responsible for obtaining desired financing for the purchase of the Property. By suggesting a source of financing and/or providing the application for such financing, Seller will not be deemed to have assumed any responsibility for obtaining such financing for Purchaser or to represent or warrant that such financing will be available to Purchaser. Purchaser represents that Purchaser has the financial means to purchase the Property. Purchaser shall fully cooperate with Seller in procuring any evidence Seller reasonably requests that Purchaser has the financial means to pay the balance of the Price. Purchaser hereby gives Seller or Seller's designated agent permission to obtain one or more credit reports on Purchaser prior to the Closing Date. If Purchaser elects to obtain financing for the purchase of the Property, Buyer shall promptly apply for such financing and promptly deliver a loan commitment from an institutional lender (the "Lender") to Seller. If Buyer is not financing the purchase of the Property, Purchaser shall promptly deliver account verifications to Seller upon Seller's request. If Seller determines, at any time prior to the Closing Date, in Seller's sole but reasonable discretion, that it is unlikely that Purchaser will be able to pay the balance of the Price on the Closing Date, Seller may terminate this transaction, and the Earnest Money Deposit shall be returned to Purchaser.

3. **Seller's Contingencies.**

3.1 **Closing Lot Acquisition.** The lot, of which the Property to be sold is a part, is to be purchased by Seller from the Developer pursuant to a Lot Purchase Agreement by and between the Developer and Seller, the closing of which is a condition of Closing hereunder. Seller's obligations under this Agreement are contingent upon the satisfaction of one of the following conditions and requirements:

(a) Simultaneously with the Closing Date hereunder, Seller shall close its purchase of the lot component of the Property, failing which Seller shall refund to Purchaser all deposits made by Purchaser, with neither of Seller nor Purchaser having any further obligation to the other thereafter; or

(b) Seller shall have waived, in writing to Purchaser, the condition set forth in clause (a) above.

3.2 **Rights of Termination.** In the event the contingency is set forth in Section 3.1 is not satisfied on or before the expiration of the term set forth therein, both Seller and Purchaser will each have the right, at their respective option, to terminate this Agreement by delivery of written notice to the other; provided that, if Purchaser elects to exercise such right, Purchaser must deliver notice to Seller of Purchaser's intent to terminate this Agreement, and Seller will thereafter have five (5) business days within which to waive said contingency.

4. **Plans and Specifications; Construction; Warranties.**

4.1 **Plans and Specifications.** The improvements constituting the residence to be constructed by Seller are more fully described in the plans and specifications on file in Seller's on-site office or the office of Cliffs Real Estate, Inc., and available for Purchaser's inspection or copying, subject to reasonable copying charges, during normal business hours (the "Plans"), and in the attached Features and Options sheet signed by Purchaser, also made a part hereof by this reference ("Options"). Purchaser acknowledges that Seller is not the licensed architect or professional engineer who signed the Plans; that Seller has relied, and will continue to rely, upon the drawings and specifications of the architects and engineers and that Seller's construction work has been and/or will be performed in accordance therewith, except as otherwise allowed under Section 4.1(a); that Seller will not be responsible for any defects in the Plans or construction in accordance therewith; provided, however, Seller shall be responsible for defects as shall be the direct and proximate result of Seller's gross negligence. Furthermore, Seller shall not be responsible for any incidental or consequential damages arising from such defects in construction. Purchaser acknowledges that Purchaser shall acquire no ownership rights in the Plans and Purchaser may not make any unauthorized use of the same.

(a) **Change Orders.** Except as otherwise allowed under Section 4.2(c) below, the work shall be undertaken in accordance with the Plans and Options, which shall only be modified, added to and reduced by written Change Order issued by Seller and executed by Purchaser. All sums due and owing Seller by Purchaser due to a Change Order shall be added to the House Price Component shown and designated in Paragraph B(iii) of Part I above, payable in accordance with the terms and conditions of Section 10 below.

4.2 **Seller's Construction.**

(a) **Commencement.** Seller shall have no obligation to Purchaser to close any required acquisition of the lot under Section 3.1 and to commence construction until Purchaser has closed Purchaser's purchase with Seller. If Purchaser does not intend to finance Purchaser's Property purchase, Seller may, in its sole discretion, require that Purchaser deposit in escrow with Escrow Agent such portion thereof as Seller shall reasonably require, and which may be drawn against pursuant to Section 10.

(b) **Site Visits by Purchaser.** Purchaser agrees that if Purchaser or Purchaser's family, guests, outside contractors, agents or invitees enter onto any area of construction, they do so at their own risk, and neither Seller, nor Seller's subcontractors, suppliers, agents or employees shall be liable for any damage, loss or injury to such persons or their property.

(c) **Construction Work.** Seller agrees that the residence will be constructed in a workmanlike manner. Seller reserves the right to make minor architectural or design changes of an aesthetic nature in the Plans as Seller

deems necessary or desirable, which may be occasioned by experience, practicability or as is common in the construction industry in general, or as may be required by governmental authority, which changes make no substantial change in size or floor plan of the residence improvements. Furthermore, Seller expressly reserves the right to make substitution of materials, appliances, products, or brand names in the Plans and Options, provided substitutes are of substantially equal or greater quality to those shown in or called for by the Plans and Options.

(d) **Completion.** Pursuant to the requirements for exemption of this transaction under the Interstate Land sales Full Disclosure Act, Seller agrees to complete the construction of the residence not later than two (2) years from the Effective Date hereof, subject to closing by Purchaser hereunder. In the event construction is delayed through no fault of Seller, including, but not limited to, for reasons such as strikes, accidents, weather conditions, and other delays beyond Seller's control, then the time of completion will be extended by the same number of days that construction is delayed.

4.3 Delays Caused by Purchaser.

(a) **Construction Work Delays.** Purchaser acknowledges that Purchaser is responsible for providing Seller information to be used as part of Seller's construction work, including but not limited to Purchaser's Options. In the event Purchaser does not provide Seller a copy of the Options signed by Purchaser, as well as any other information needed by Seller to construct the residence and for which Seller has provided written notice to Purchaser, within ten (10) days following Seller's written notice to Purchaser, Purchaser shall pay Seller a sum equal to \$100 per day of delay by Purchaser. This sum is due and payable immediately to Seller by Purchaser upon Seller's written notice to Purchaser of the sum due and owing.

4.4 Warranty of Improvements. SELLER REPRESENTS, WARRANTS AND COVENANTS TO PURCHASER:

FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF ISSUANCE OF THE CERTIFICATE OF OCCUPANCY FOR THE RESIDENCE IMPROVEMENTS, SELLER WILL, AT NO COST, REPAIR OR REPLACE ANY PORTION OF THE RESIDENCE WHICH IS DEFECTIVE AS TO MATERIAL OR WORKMANSHIP; PROVIDED, HOWEVER, SELLER SHALL NOT BE RESPONSIBLE FOR THE REPAIR OR REPLACEMENT OF FIXTURES, APPLIANCES AND OTHER SUCH MATERIALS COVERED BY A SEPARATE MANUFACTURER'S WARRANTY. FURTHERMORE, PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER SHALL PERFORM SUCH ROUTINE MAINTENANCE AS IS SET FORTH IN ANY WRITTEN MANUAL, INSTRUCTION BOOKLET OR OTHER WRITING AS SELLER MAY PROVIDE PURCHASER OR AS MAY BE PROVIDED BY ANY SUCH MANUFACTURER. PURCHASER'S FAILURE TO OBSERVE AND PERFORM ANY SUCH RECOMMENDED MAINTENANCE MAY INVALIDATE ANY WARRANTY WITH RESPECT TO THE ITEM FOR WHICH MAINTENANCE WAS NOT PERFORMED. THIS LIMITED WARRANTY IS AND SHALL BE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. ANY WARRANTY OF HABITABILITY, SUITABILITY FOR RESIDENTIAL PURPOSES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS AND SHALL BE EXCLUDED AND DISCLAIMED. SELLER SHALL IN NO EVENT BE HELD LIABLE FOR CONSEQUENTIAL DAMAGES PROXIMATELY CAUSED BY A BREACH OF WARRANTY, SELLER'S TOTAL LIABILITY BEING THE COST OF REPLACEMENT OR REPAIR, AND PURCHASER WILL NOT BE ENTITLED TO ANY COMPENSATION FOR LOST RENTAL OR INCONVENIENCE.

Seller's liability hereunder is expressly limited to the foregoing warranty and SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED.

4.5 **Voiding of Warranty.** Purchaser acknowledges that some actions by Purchaser may void both Seller's warranty and any manufacturer's warranty. While any such warranty remains in effect, Purchaser shall not undertake or have undertaken any work which changes, modifies or adds to the residence as constructed by Seller without first having

received Seller's or the manufacturer's written approval and confirmation its warranty shall not be voided thereby, failing which Purchaser shall assume all liabilities which might arise from such work's voiding any warranty given Purchaser.

4.6 **Insulation.** Seller hereby gives Purchaser notice that the residence will have batt insulations installed in all exterior walls to the minimum R-value thickness set forth in the Additional Information Addendum attached hereto and made a part hereof by this reference. Seller does not warrant that the insulation will yield the R-values as represented by the manufacturer. In the event the R-values are unavailable at the execution hereof and blanks appear in the Additional Information Addendum, Seller will, when such insulation R-values become available to Seller, provide a written statement thereof to Purchaser.

5. **Recorded Covenants.**

5.1 **The Declaration of Covenants & Property Owners' Association.** The Property will be conveyed subject to covenants, conditions, restriction and easement for the Community, recorded in the Office of Register of Deeds for the County in which the Community is located, as the same may be amended from time to time (herein, sometimes referred to as the "Declaration"), which includes the obligation that Purchaser pay regular and special assessments when levied for the common facilities and services of the community or property owners' association formed under the Declaration and of which Purchaser will be a Member (herein, sometimes referred to as the "Association") commencing with the date Seller conveys title to the Property. Purchaser hereby acknowledges having received a copy of the Declaration, with appended Bylaws of the Association.

5.2 **Architectural Review.** Purchaser hereby acknowledges that any improvement to the Property, including landscape improvements, will be subject to the architectural guidelines established, from time to time, pursuant to the Declaration, and the prior written approval thereof by the architectural review committee established thereunder. Purchaser and Purchaser's builder will be solely responsible for the completion of construction of all improvements on the Property and for proper drainage during and after house construction, as well as the published fee payable to architectural review committee for review and approval, prior to construction, of all construction and design plans with respect to any improvements to be placed on Purchaser's Property. Purchaser or Purchaser's contractor will also be responsible for posting a bond with the architectural review authority created under the Declaration prior to commencing construction, as published from time to time by the architectural review committee. The plans that Seller has or will use in construction of the residence has been approved by the architectural review committee and no bond is required with respect thereto.

6. **The Golf & Country Club.** Purchaser acknowledges the plan of development for the Community includes the Club's operation of a commercial, private golf and country club facility adjacent to or within the boundaries of the Community. Purchaser further acknowledges that the Club's recreational facilities are operated by an affiliated third party to the Community's developer, as a commercial business, and not as a non-profit enterprise, that Purchaser will have a license to use the facilities as herein described if Purchaser acquires a membership to do so, and that neither Purchaser nor any property owner association of which Purchaser may be a member has or will receive any ownership interest in the Club's facilities by virtue of Purchaser's acquisition of the Property or membership in any such property owner association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership opportunities pursuant to a published Membership Plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If Purchaser wishes to become a member, Purchaser should take the time to read the Membership Plan prior to acquiring a membership. Purchaser acknowledges receiving a summary of The Cliffs Club membership opportunities. Such information is summary only, and Purchaser should refer to the Membership Plan for the actual terms and condition applicable to membership in the Club.

7. **Closing.** Subject to the satisfaction of all contingencies incorporated herein pursuant to Section 3 above, the sale and purchase contemplated by this Agreement will be closed by delivery to Purchaser of a properly executed and acknowledged general warranty deed, in proper, recordable form, in exchange for payment to Seller of the Price as hereinabove provided. Notwithstanding any provisions herein to the contrary, the legal description for Purchaser's Property will be in accordance with and based upon the approved, bonded plat for the subdivision of which the Property is a part (the "Plat").

7.1 **Deed to Property.** The general warranty deed will convey to Purchaser a good and marketable or insurable (at regular rates), fee simple title to the Property subject to matters of record, including, but not limited to, the following:

- (a) Taxes and assessments not yet due.
- (b) All special easements, restrictions and conditions shown and noted on the Plat.
- (c) Licenses and easements for utilities serving the property.
- (d) The Declaration and the Bylaws of the Association.
- (e) Covenant that the Property conveyed, including any dwelling thereon or to be built thereon, will not be used for or subject to any type of time share plan under South Carolina law, or used as part of any time share exchange program or is made available as an accommodation for prospects to purchase a time share plan interest at any location.
- (f) Applicable ordinances, building codes and development standards, if any.
- (g) Any and all other easements, rights-of-way, restrictive or utility easements, restrictions, covenants, affirmative obligations and conditions of record in the office of Register of Deeds for the County in which the Community is located.

If a title insurance company which is a member of the American Land Title Association will issue a binder to issue an owner's title insurance policy at Purchaser's expense, insuring the title to the Property at regular rates in an amount equal to the sum of the Lot Price Component and the House Price Component (which owner's title insurance policy will have as exceptions only standard exceptions and those exceptions as are herein agreed and set forth), Seller will be deemed to be able to convey a marketable title in fee simple. If, at the Closing, Seller cannot deliver a general warranty deed to the Property subject to the exceptions above, Seller will have the right to extend the Closing for an additional thirty (30) days to comply with the terms of the title policy.

7.2 **Closing Date and Time.** Closing will be conducted in the manner provided hereinafter within thirty (30) days following the Effective Date hereof, at the location set forth in Section 7.3 and at a time selected by Seller. Provided that Seller has fulfilled all of its obligations to Purchaser pursuant to this Agreement, Purchaser's failure or refusal to close at the time, place and date provided may, at Seller's option, be deemed a default by Purchaser.

7.3 **Closing Location.** Tender of the deed by Seller and the performance of Seller's requirements will be made at the Closing location designated by Seller on or before 10 days prior to the scheduled Closing. In no event will delivery of the deed exceed one hundred eighty (180) days from the date of Purchaser's execution of this Agreement. The Closing may take place in escrow, with Purchaser participating by making all deliveries required to be made by mail to the Closing attorney prior to the Closing date, instead of in person; provided that all funds to be received from Purchaser on the Closing date, whether in person or by mail, must be in cash or certified, collected funds.

7.4 **Closing Costs.** Seller will pay for the preparation of the deed and the deed transfer fee required to record the deed, and Seller's attorney's fees. Purchaser shall pay for any and all other Closing costs, including but not limited to, loan service and origination fees, credit report and underwriting fees, appraisal expenses, recording fees, prepaid items, and title insurance premiums, and Purchaser's attorney's fees. A working capital contribution equal to two-months' Association assessments shall be paid to the Association, as provided in the Declaration.

(a) **Prorations at Closing.** Taxes and the Association's assessments will be prorated between Seller and Purchaser as of the date of closing, based upon information then available. Seller and Purchaser agree to adjust any such prorations following the Closing, as may be required by receipt of final bills therefor.

8. **Defaults.**

8.1 **Default by Purchaser.** In the event Purchaser defaults in the performance of any of Purchaser's obligations pursuant to this Agreement and Seller is not in default, Seller will have the right to specifically enforce this Agreement according to its terms and/or to pursue any and all other remedies available to Seller at law or in equity, or Seller will, at Seller's election, be released from any further obligations to Purchaser pursuant to this Agreement and in such event will be entitled to retain the Earnest Money Deposit as agreed liquidated damages, it being the intention and agreement of Seller and Purchaser that the amount of such Earnest Money Deposit will act as a fair measure of compensation for actual damages incurred by Seller as a result of Purchaser's default. However, notwithstanding the provisions of this Section 8.1, Seller expressly agrees that Seller will give Purchaser written notification of Purchaser's default or breach of contract and the opportunity to correct the default or breach within twenty (20) days following the receipt of Seller's notice.

8.2 **Default by Seller.** If Seller defaults in the performance of any of Seller's obligations as set forth in this Agreement and such default is not cured within twenty (20) days after written notice of default is given to Purchaser by Seller, Purchaser's sole remedy will be to rescind this Agreement and receive the immediate return of Purchaser's Earnest Money Deposit, pay Purchaser's reasonable attorney's fees for any title examination by Purchaser's attorney and for such other reasonable closing expenses which Seller agrees, in its sole discretion, to pay; provided, however, that in the event of a non-material breach of any term or condition of this Agreement, Purchaser's remedies will not include termination of this Agreement.

9. **Real Estate Commission.** It is understood that Seller has by separate agreement appointed Cliffs Real Estate, Inc. as the exclusive real estate agent for sales of Seller's properties within the Community. Purchaser warrants and represents that, except as set forth to the contrary on the signature page of Purchaser, Purchaser has not dealt with any other real estate agent who may be entitled to claim a real estate commission in this transaction.

10. **Residence Construction Progress Payments.** The House Price Component for the residence constructed or to be constructed is set forth in Paragraph B(iii) of Part I above will be paid as herein provided.

10.1 **Payment of Initial Payment/Mobilization Costs.** Purchaser shall pay at the Lot Closing the sum set forth under Paragraph B(iii) as a credit against the House Price Component, to cover mobilization and other costs of Seller's construction. This initial payment shall not be credited against any draw request until Seller has submitted its final draw request following completion of construction, which final draw shall reflect a credit equal to mobilization sum paid at Closing and listed under Paragraph B(iii).

10.2 **House Price Component Payable as Construction Progresses.** The House Price Component set forth in Paragraph B(iii) of Part I above, after giving effect to a credit for mobilization and other costs of Seller's construction payable at the Closing, will be paid, from time to time, as construction progresses and in accordance with the percentage of work completed to the date a request for payment is made by Seller.

10.3 **Costs of Draw Requests.** The cost of any inspection by Purchaser's Lender's with respect to a draw request will be at Purchaser's sole cost and expense. In order to secure the balance of the House Price Component, Purchaser will assign to Seller and authorize Purchaser's Lender to disburse to Seller the entire remaining proceeds of Purchaser's construction/permanent loan. Purchaser will and hereby do authorize Purchaser's Lender to process Seller's draw requests and to disburse the funds directly to Seller. Neither Purchaser's signature nor any other form of approval will be required in order for Purchaser's Lender to process and disburse such draw requests. Purchaser will, nevertheless, be solely responsible for payment of any draw request and the Lender's failure to fund or timely pay shall not relieve Purchaser of liability for the payment thereof and within the time herein provided.

10.4 **Balance of House Price Component Less Than Remaining Under Loan or No Loan.** In the event the balance to be paid under Purchaser's construction/permanent loan is less than the remaining total of the House Price Component, then Purchaser will place the shortfall into an interest bearing account with Purchaser's Lender (or if Purchaser's Lender is not a federal or state bank or savings institution, then with a federal or state bank or savings institution agreeable to Purchaser's Lender) to be disbursed to Seller by Purchaser as draw requests are submitted. All funds deposited by Purchaser with Purchaser's Lender as aforesaid will be disbursed to Seller prior to the disbursement of

the remaining balance under the construction/permanent loan. If Purchaser is not securing a construction/permanent loan, at Closing Purchaser will place the balance of the House Price Component into an interest bearing account with a federal or state bank or savings institution maintained by the Escrow Agent, to be disbursed to Seller by the Escrow Agent as draw requests are submitted.

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, PURCHASER SHALL BE RESPONSIBLE FOR THE PAYMENT TO SELLER OF THAT PERCENTAGE OF THE WORK SUBMITTED AS A DRAW REQUEST BY SELLER AND CERTIFIED BY SELLER AS HAVING BEEN COMPLETED. EACH SUBMISSION FOR A DRAW REQUEST MADE BY SELLER ON OR BEFORE THE 25TH DAY OF THE MONTH SHALL BE PAYABLE NOT LATER THAN THE 8TH DAY OF THE FOLLOWING MONTH. IN THE EVENT PURCHASER, OR THE ESCROW AGENT, IF APPLICABLE, FAILS TO MAKE SUCH CONSTRUCTION PROGRESS PAYMENT FOR ANY REASON, PURCHASER SHALL BE IN DEFAULT HEREUNDER AND SELLER MAY CEASE WORK AND PURSUE ALL REMEDIES AVAILABLE TO US.

10.5 Options And Allowances. The House Price Component may include certain "Allowances," as the same may be further set forth in the Features and Options sheet referred to in Section 4 above. It is Seller's and Purchaser's mutual understandings that any such Allowances are not to be construed as firm bids by Seller. The Allowances, which have been used to arrive at the House Price Component, may vary from the actual cost based on Purchaser's selections. If the dollar amount of Allowances is in excess of the actual cost based upon Purchaser's selection, Seller shall execute a change order providing a credit for the amount of such excess. If the dollar amount of Allowances proves to be insufficient, Purchaser may elect to execute an appropriate Change Order authorizing a price increase occasioned by Purchaser's selections, as necessary to complete construction with the Allowance items selected by Purchaser. If Purchaser declines to execute such Change Order or to change such selections, Seller may, at Seller's option, substitute material and components as needed to complete the construction within the dollar amount of Allowances as stated, which may require inclusion of lesser grade materials or the elimination of certain options or features. Purchaser agrees to complete all color and material selections and selection of Allowance items prior to the commencement of construction.

10.6 Taxes. Seller will pay all sales, consumer, use and other similar taxes, which are legally enacted at the date hereof. From and after the Closing, Purchaser will pay when due all real property taxes and taxes imposed upon improvements to the real property, and all property and homeowner assessments which may become, if remaining unpaid, a lien upon the Property.

11. Acceptance And Final Payment.

11.1 Inspection of Completed Work. Upon receipt of Seller's written notice that the work is ready for final inspection and acceptance ("Substantial Completion"), Purchaser will promptly inspect the work. Purchaser will promptly pay or cause to be paid the balance of the House Price Component due under this Agreement.

11.2 Lien Waiver Affidavits. The final payment upon Substantial Completion will not be made until Seller has delivered to Purchaser an affidavit stating that all materials and services for which a lien could be filed have been paid and such other affidavit as may be required by Purchaser's Lender and/or Title Insurance Company.

11.3 Occupancy of Residence. Purchaser agrees that Purchaser will not occupy the residence to be constructed hereunder until such time as the Property is certified to be complete by Seller, a Certificate of Occupancy is issued, and Seller has been paid all sums due hereunder. Purchaser's occupancy will be deemed to be final acceptance.

11.4 Purchaser's Furniture, Furnishings and Other Personal Property. None of Purchaser's personal property will be stored in the residence prior to the time of possession as stated above, and any of Purchaser's personal property or possessions placed in the residence in violation of the foregoing shall be at Purchaser's sole risk. Purchaser acknowledges and agrees that if Purchaser stores any personal property on the Property lot or in the residence prior to

permitted occupancy, Purchaser's insurance must then be in place as Seller's Builder's Risk insurance will then become null and void.

11.5 Minor Punch List No Grounds For Delay. Anything contained herein to the contrary notwithstanding, construction shall be deemed substantially completed upon the issuance of a Certificate of Occupancy for the Property, and any required work to be completed thereafter arising from minor punch list items shall not prevent the then current condition from being deemed Substantial Completion.

12. Construction Permits, Fees, Approvals, And Regulations; Utility Connection and Other Fees. Seller will secure and pay for all permits, licenses, and all other approvals necessary for the proper execution and completion of the construction of the residence, and any that may be applicable during the course of construction. Seller shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the work. Purchaser shall pay all connection, impact, and utility fees.

13. Surveys. Seller will, if requested by Purchaser, obtain boundary and foundation surveys, at Purchaser's sole cost.

14. Insurance. Both Seller and Purchaser will each maintain insurance, as herein provided, for the benefit of both, as their interests may appear. Seller shall maintain, at Seller's expense, Fire and General Builder's Risk Insurance upon the entire structure for one hundred percent (100%) of the insurable value thereof. Seller shall maintain such insurance as is required by statute to protect Seller from claims under workmen's compensation acts and other applicable employee benefit acts, from claims for damages because of bodily injury, including death, and from claims for damages to property which may arise both out of and during work by Seller under this Agreement, whether such work is conducted by Seller or by any subcontractor or anyone directly or indirectly employed by either Seller or Purchaser or the subcontractor. Purchaser will maintain such insurance as will protect Purchaser from Purchaser's contingent liability to others for damages because of bodily injury, including death, which may arise from activities under this Agreement, and any other liability for damages which Seller is required to insure under any provision of this Agreement, and as may be further required by Purchaser's Lender, if any

15. Hazardous Materials. Seller shall not be responsible for the detection, treatment, or removal of hazardous material determined to be at the lot. Should Seller encounter materials on the lot reasonably believed to be hazardous, Seller shall have the right to stop work and remove Seller's employees from the project until the nature of the substances have been determined and, if necessary, removed or rendered harmless. If the work is suspended under the circumstances described above, Seller will be entitled to be reimbursed by the Developer, from whom Seller acquired the lot, for any additional cost owing to the discovery of the hazardous material and the resulting delay; provided, however, recovery of such reimbursement shall not alone permit Seller to stop work. Reimbursable costs shall include, but shall not be limited to, increased labor or material costs, increased finance cost, additional overhead costs, and start-up costs. To the fullest extent permitted by law, it shall be the obligation of the Developer and not Purchaser, to indemnify and hold Seller harmless from and against all claims, costs, losses, damages, and expenses, including attorney's fees, arising from or involving such hazardous material.

16. DISPUTE RESOLUTION; MEDIATION AND ARBITRATION IF A DISPUTE, CONTROVERSY OR CLAIM (WHETHER BASED UPON CONTRACT, TORT, STATUTE, COMMON LAW OR OTHERWISE) (COLLECTIVELY A "DISPUTE") ARISES FROM OR RELATES DIRECTLY OR INDIRECTLY TO THIS AGREEMENT AND/OR THE CONSTRUCTION OF THE RESIDENCE CONSTITUTING A PORTION OF THE PROPERTYS, AND IF THE DISPUTE CANNOT BE SETTLED THROUGH DIRECT DISCUSSIONS, SELLER AND PURCHASER SHALL ENDEAVOR TO RESOLVE THE DISPUTE BY PARTICIPATING IN A MEDIATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION (THE "AAA") UNDER ITS COMMERCIAL MEDIATION RULES BEFORE RESORTING TO ARBITRATION. THE COSTS AND EXPENSES OF MEDIATION, OTHER THAN EACH PARTY'S LEGAL FEES, SHALL BE SHARED EQUALLY BY SELLER AND PURCHASER. THEREAFTER, ANY UNRESOLVED DISPUTE SHALL BE SETTLED BY BINDING ARBITRATION ADMINISTERED BY THE AAA IN ACCORDANCE WITH ITS COMMERCIAL ARBITRATION RULES AND JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR SHALL BE FINAL AND BINDING, SHALL NOT BE APPEALABLE, SHALL, INCLUDE THE PREVAILING PARTY'S COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY AND EXPERT FEES, AND MAY BE ENTERED IN ANY

COURT HAVING JURISDICTION. THE ARBITRATION PROCEEDING SHALL BE CONDUCTED IN GREENVILLE, SOUTH CAROLINA BEFORE A NEUTRAL ARBITRATOR WHO HAS SUBSTANTIAL EXPERIENCE IN THE SUBJECT MATTER OF THE DISPUTE.

17. Miscellaneous.

17.1 Seller's Reserved Easements; Construction Setbacks. Purchaser acknowledges that the developer of the Cliffs Community has reserved the right to grant and/or reserve, in its reasonable discretion, various easements for ingress and egress, maintenance and use on and over the Property and the remainder of the Community's development. No such easement will materially reduce the value or the usefulness of Purchaser's Property. Furthermore, Purchaser's Property is subject to front, rear and side Property line easements shown on the Plat and/or set forth in the Declaration, which also constitute construction setback limits.

17.2 Adjacent Development. Except as otherwise provided herein and notwithstanding any statements contained in this Agreement or otherwise to the contrary, Seller does not warrant in any manner whatsoever the development of any other properties which are owned by Seller in Greenville County, South Carolina or Henderson County, North Carolina, whether or not in the general vicinity of Purchaser's Property, and Seller reserves the right to develop such properties, if developed, in any manner whatsoever without interference from any subsequent grantee of the Purchaser's Property, notwithstanding any plans, renderings or drawings which may have been brought to the Purchaser's attention through public zoning hearings, documents filed for zoning purposes, public or private showings or proposed or preliminary development plans or references therein in any recorded covenants. There is no assurance that any facilities or amenities shown for planning or proposed development purposes will ever be constructed, except only those which Seller herein covenants to complete or which are disclosed to be completed in the HUD Property Report for the Property.

17.3 Inspection of Premises. Purchaser hereby acknowledges that Purchaser has inspected the lot component of Property prior to signing this Agreement, and hereby agree that, except as otherwise provided herein, Purchaser is purchasing and Seller is selling the Property in an "AS IS" condition.

17.4 Notices. Any and all notices or other communication provided for in this Agreement will be given in writing and delivered by personal delivery or by registered or certified mail, first class postage prepaid, or by facsimile transmission. Any notice mailed in accordance with this Section 17.4 will be deemed received upon actual receipt thereof or after the expiration of five (5) days, whichever is earlier. Notice sent by facsimile transmission will be deemed received on the date of its transmission, provided transmission occurs prior to 5:00 p.m., Eastern Time, and the sender retains proof of its transmittal and receipt without error. Notice will be addressed to the intended recipient at the address provided on the recipient's signature page of this Agreement.

17.5 Purchaser's Acknowledgment Concerning Representations. Purchaser understands that any sales associate or other person representing Seller in this transaction does not have the authority to make any statements in conflict with or in addition to the information contained in this Agreement, and any other documents received from Seller, including without limitation, any representation made regarding the resale of Purchaser's Property or its rental or investment potential, and that Seller, for itself and in behalf of any such agent, specifically disclaims any responsibility for such statements. Further, if any such statements were made, Purchaser acknowledges that by execution of this Agreement, Purchaser affirms that Purchaser has not relied upon any such statements, if any, and waives any rights that Purchaser might have as a result of such statements unless they are incorporated in this Agreement.

17.6 Documents Received By Purchaser. Purchaser further acknowledges having received and reviewed prior to the execution of this Agreement the following:

- (a) Copy of the Declaration, as supplemented and amended to the date hereof, together with appended By-Laws of the Association.
- (b) Agency Disclosure (Executed).
- (c) Copy of Plat.

(d) The checked documents or instruments listed on the Purchaser's signature page below.

17.7 **Time is of the essence.** It is expressly understood and agreed that **TIME IS OF THE ESSENCE** as to all obligations hereunder, including the Purchaser obligation to obtain a mortgage commitment and provide the Lender with all information requested if Purchaser is acquiring financing, even though such financing is not a contingency hereof.

17.8 **Entire Agreement.** Seller and Purchaser covenant and agree with each other that this written instrument, executed in duplicate originals, expresses the entire agreement between them and there is no other agreement, oral or otherwise, varying or modifying the terms of this Agreement.

17.9 **Modification of Agreement.** This Agreement may not be otherwise changed or modified, absent some subsequent written instrument executed by both Seller and Purchaser.

17.10 **Interpretation Presumption.** Seller and Purchaser represent and warrant to one another that each has, by counsel or otherwise, actively participated in the finalization of this Agreement, and in the event of a dispute concerning the interpretation of this Agreement, each hereby waives the doctrine that an ambiguity should be interpreted against the party which has drafted the document.

17.11 **Binding Effect; Assignment.** This Agreement is binding upon the parties' respective heirs, devisees, personal representatives, successors and assigns; provided however, this Agreement and any of Purchaser's rights hereunder may not be assigned by Purchaser.

17.12 **Unenforceable Provisions.** Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions will remain in full force and effect and will not in any manner be thereby affected or impaired.

17.13 **Survival.** This Agreement and all the terms and conditions hereof will survive the Closing of the transaction contemplated hereby and will thereafter continue to bind the parties to this Agreement.

17.14 **Counterpart Execution of Agreement.** This Agreement may be signed by each of the parties upon a separate copy, and in such case one counterpart of this Agreement will consist of enough of such copies to reflect the signature of each. For purposes of this Agreement, a telecopy of an executed counterpart will constitute an original. Any person delivering an executed counterpart of this Agreement by telecopy will also deliver an original, executed counterpart of this Agreement, but the failure to deliver an original, executed counterpart will not affect the validity of this Agreement. This Agreement may also be executed in two or more counterparts, each of which will be deemed an original; but for purposes of proving the Agreement, it will not be necessary to produce or account for more than one such counterpart.

17.15 **Effective Date.** This Agreement will become effective, and the term "Effective Date" herein will mean, the last date executed by a party to be bound hereby.

(BALANCE OF PAGE PURPOSELY BLANK)

Additional Documents Received By Purchaser. Pursuant to Section 17.6, the Purchaser acknowledges having received and reviewed prior to the execution of this Agreement the following (if none, leave blank):

☒ Addendum A
☒ Valley Villa Lease agreement
☒ Cliffs Membership addendum
☒ Villas Additional Information addendum
☒ Exhibit G

PURCHASER'S INITIAL HERE TO EVIDENCE HAVING RECEIVED THE DOCUMENTS LISTED ABOVE

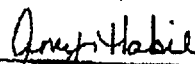
For Purchaser

IN WITNESS WHEREOF, Purchaser and the Seller have each caused this instrument to be executed on the day and year set forth below their respective names.

WITNESS:



Purchaser:



(Signature)

(Signature)

6 29 05
Month Day Year

Print or Type:

Name: Amy Habie

Name:

Address: 6450 Belvedere Road

West Palm, FL 33413

Telephone (Work): (561) 688-7336

Telephone (Home):

FAX Number: 561-615-4644

E-mail Address:

Name in Which to Title Property. Amy Habie

(Insert the name or name to which Purchaser wishes title to the Property to be deeded)

(BALANCE OF PAGE PURPOSELY BLANK)

Anne B. Ramey

Seller:

Carlton Construction, LLC

By: _____

Its: _____

07 25 2005
Month Day Year

Print or Type:

Address: **PO Box 188**
Saphire, NC 28774

Telephone (Work):

FAX Number:

E-mail Address:

(BALANCE OF PAGE PURPOSELY BLANK)

THE UNDERSIGNED ESCROW AGENT EXECUTES THIS AGREEMENT SOLELY TO ACKNOWLEDGE RECEIPT OF THE PURCHASER'S ESCROW DEPOSIT IDENTIFIED ON PAGE 1 HEREOF, AND TO ACKNOWLEDGE THE UNDERSIGNED'S AGREEMENT TO HOLD AND DISBURSE THE SAID ESCROW DEPOSIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT.

WITNESS:

Escrow Agent:

Jeffry H. Gray, PC

By: _____

Its: _____

Month Day Year

Print or Type:

Address: _____

Telephone (Work): _____

FAX Number: _____

E-mail Address: _____

The Valley Villas at Cliffs Valley Additional Information Addendum

THIS ADDENDUM is executed by and between Carlton Construction, LLC (generally referred to as "Seller") and the below identified "Purchaser" (generally referred to as "Purchaser") of a Villa located in Cliffs Valley, which is being purchased from Seller, and shall constitute an addition to that certain Real Estate Sale and Purchase Agreement (the "Agreement") between Purchaser and Seller.

Purchaser: Amy Habio

Valley Villa: Lot 5, Section Wynfield

Agreement Date: _____

1. Association Assessments. Purchaser hereby acknowledges that the following assessments and working capital contributions are applicable at the Closing pursuant to Section 7.4 of the Agreement:

- (a) Valley Association Assessments
(Prorated to Closing; excluding prorata Valley Villas Neighborhood Expenses) \$ 650.00 per year
- (b) Valley Association; Valley Villas Neighborhood Expenses (Prorated to Closing) \$ 285.00 per month
- (c) Valley Association
(Regular 2-Months' Working Capital at Closing) \$ 108.34
- (d) Valley Association; Valley Villas Neighborhood (Neighborhood 2-Months' Working Capital at Closing) \$ 570.00

2. Insulation. Seller hereby gives Purchaser notice that the cottage will have batt insulations installed in all exterior walls to a minimum thickness of R-____; in all ceilings other than the top floor roof ceiling to a thickness of R-____; and in the top floor roof ceiling to a thickness of R-____. Seller does not warrant that the insulation will yield the R-values as represented by the manufacturer. In the event the R-values of this Section 4.6 are unavailable at the execution hereof and blanks appear herein, Seller will, when such insulation R-values become available to Seller, provide a written statement thereof to Purchaser.

Purchaser

Amy Habio

6 29 2005
Month Day Year



Club Membership Addendum

THIS ADDENDUM is executed by and between The Cliffs Golf & Country Club, Inc. in behalf of The Cliffs Club (the "Club"), the below identified "Seller" (the "Seller") and the below identified "Purchaser" (the "Purchaser") of the below identified property (the "Property") in the Cliffs community also identified below (the "Community"), and is an amendment of and addition to that certain contract (the "Agreement") between the Seller and Purchaser.

Purchaser: Amy Habie

Community: Cliffs Valley

Lot and Section: 6 /

Agreement Date: _____

Model Type: Wynfield

Property List Price \$ 804,115.00

Discount for Membership (\$ 35,000.00)

Discounted Purchase Price

\$ 769,115.00

☒ Family Membership Privileges, Initiation Deposit.
If checked, Purchaser will pay at Closing the amount of the discount given for Cliffs Family Membership privileges, \$35,000.00 deposit on the line to the right.

\$ 35,000.00

☒ Golf Membership, Initiation Deposit Add-on.
If checked, Purchaser wishes to upgrade immediately to a Cliffs Golf Membership by paying at the Closing the add-on deposit of \$40,000.00 on the line to the right.

\$ 40,000.00

Total Membership Deposit To Be Paid at Closing:

\$ 75,000.00

1. **Purchase Price Discounted for Membership.** The Club and Seller have, by special arrangements, agreed that if Purchaser wishes to acquire a membership, Seller will discount the price of the Property by \$35,000. Purchaser wishes to receive the discount and acquire a membership, electing a membership as below provided for either a Cliffs Golf Membership, or a Cliffs Family Membership, and agreeing to pay to the Club at the closing with Seller the required membership deposit. See the membership check boxes below and Paragraph 2 regarding membership privileges in the Clubs' facilities. In the event Purchaser fails to enter into this Club Membership Addendum, thereby declining to acquire a membership, no purchase price discount will be given in the sales transaction between Purchaser and Seller.

(a) **5-Year Vesting in Full Refundability.** The Club's Membership Plan provides that upon resignation from the Club, a resigned member is normally entitled to receive 100% of the initiation deposit paid to the Club. However, because Seller is agreeing to discount the price of the Property, then the \$35,000 discount that Purchaser will apply to the membership shall only be refunded to the Purchaser-member upon a resignation occurring more than five (5) years following the Property closing with Seller, or upon Purchaser closing a resale of the Property being purchased from Seller, if that happens to occur before full vesting. Because Purchaser must

resign the membership upon a resale closing of the Property, such resignation shall result in Purchaser-member receiving a refund of the entire initiation deposit. Purchaser will be paying at the Property Closing. Any initiation deposit paid by Purchaser in excess of the \$35,000 discount so applied to the Property, for instance if Purchaser elects to acquire a Cliffs Golf Membership and pay the additional amount due therefor, will be fully refunded as provided in the Club's Membership Plan and without regard to any vesting period.

☒ Box #1. PURCHASER ELECTS TO ACQUIRE A CLIFFS GOLF MEMBERSHIP. THE DEPOSIT FOR A CLIFFS GOLF MEMBERSHIP IS \$75,000.00. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 2 below. Purchaser hereby understands that a Cliffs Golf Membership will not be issued and activated until the Club has received from the Purchaser the required deposit for the membership. \$35,000 of the deposit will be made at the Property closing as a result of Purchaser receiving a discount from Seller against the price of the Property in an equal amount. The remaining \$40,000 due for a Cliffs Golf Membership represents Purchaser's election to receive an upgrade to Golf Membership from Family Membership, which Purchaser must acquire to receive the discount off the Property's price. The Purchaser must deliver the total \$75,000 membership deposit and complete the Club's required forms for a Cliffs Golf Membership not later than the Purchaser's Property closing with Seller. If the Club does not receive such funding on or before the closing, the Purchaser will not receive the \$35,000 discount from Seller at the Property closing, and will pay as the Purchase Price for the Property the full Property List Price set forth above, and Purchaser will have no guarantee that a Cliffs Golf Membership will be available to Purchaser in the future. Pursuant to the membership Plan, the Purchaser may acquire a Golf Membership within 30 days of the property's Closing for the full amount of the deposit, but if Purchaser elects to do so, Purchaser will have forgone the Seller's discount at the Property's closing. Purchaser should remember that when Purchaser goes to sell the Property, the resale Purchaser is only guaranteed the ability to get a Cliffs Golf Membership if the Purchaser has one to resign back to the Club (and receive a refund of the initiation deposit) so the Club can immediately re-issue it to Purchaser's resale buyer at the re-sale closing (subject to Purchaser's resale buyer completing an application and paying the required membership deposit at the resale closing).


For Purchaser

☐ Box #2. PURCHASER ELECTS TO RECEIVE A CLIFFS FAMILY MEMBERSHIP. THE DEPOSIT FOR A CLIFFS FAMILY MEMBERSHIP IS \$35,000. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 2 below. Purchaser hereby understands that a Cliffs Family Membership will not be issued and activated until the Club has received from the Purchaser the required deposit for the membership. The \$35,000 deposit will be made at the Property closing as a result of Purchaser receiving a discount from Seller against the price of the Property in an equal amount. The Purchaser must deliver the total \$35,000 membership deposit and complete the Club's required forms for a Cliffs Family Membership not later than the Purchaser's Property closing with Seller. If the Club does not receive such funding on or before the closing, the Purchaser will not receive the \$35,000 discount from Seller at the Property closing, and will pay as the Purchase Price for the Property the full Property List Price set forth above, and Purchaser will have no guarantee that a Cliffs Family Membership will be available to Purchaser in the future. Purchaser further understands that a Cliffs Family Membership is subject to availability and that there is no guarantee that a Cliffs Family Membership will be available if Purchaser delays membership acquisition and later wishes to acquire a membership.


For Purchaser

2. The Golf & Country Club. Purchaser hereby acknowledges the plan of development for the Cliffs Community above identified includes, or may include, the operation of a commercial, private golf and country club facility within or in proximity to the boundaries of the Community. Purchaser further acknowledges that the Club's recreational facilities are owned by a related third party and operated by or in concert with its affiliate, The Cliffs Golf & Country Club, Inc., as a commercial business, and not as a non-profit enterprise, that Purchaser will have a license to use the facilities as herein described if Purchaser acquires a membership to do so, and that

neither Purchaser nor any property owners' association of which Purchaser may be a member has or will receive any ownership interest in the Club's facilities by virtue of Purchaser's acquisition of the Property or membership in any such property owners' association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership opportunities pursuant to a published Membership Plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If Purchaser wishes to become a member, Purchaser should take the time to read the Membership Plan prior to acquiring a membership.

(a) **Golf Membership.** The ability to acquire permanent golf privileges is reserved to those who elect to acquire a Cliffs Golf Membership. Acquisition of a Cliffs Golf Membership is subject to availability at the time Purchaser may wish to acquire one, but Purchaser is guaranteed the availability of a Cliffs Golf Membership if the Purchaser's application and the add-on membership deposit of \$40,000 are received within thirty (30) days following the Property Closing. If the Purchaser wants its resale buyer of the Property in a re-sale transaction to be guaranteed the ability to acquire a Cliffs Golf Membership, following the Purchaser's membership resignation and the Club's re-issuance of the resigned membership to its resale buyer at the resale closing pursuant to the requirements of the Club's Membership Plan, the Purchaser must acquire the Cliffs Golf Membership. Please note however, because Purchaser is receiving a discount off the list price of the Property, which must be applied toward the membership initiation deposit, Purchaser must acquire the Cliffs Golf Membership on or before the Property closing and may not wait the 30 days otherwise applicable. A total of \$75,000 (\$35,000 from the Property discount and \$40,000 to upgrade to Cliffs Golf Membership) is due on or before the Property Closing. A Golf Membership is subject to availability at all times as determined by the Club. If Purchaser has elected to receive a Cliffs Golf Membership by checking Box #1 on page 2, then upon Purchaser making application and funding the required deposit on or before the Closing, Purchaser will be issued a Cliffs Golf Membership in the Club. Purchaser's monthly membership dues will commence with the issuance of the membership, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(b) **Cliffs Family Membership.** If Purchaser has elected to receive a Cliffs Family Membership by checking Box #2 on page 2 of this Addendum, then upon making application and funding the required deposit at the Purchaser's Property closing with Seller, Purchaser will be issued a Cliffs Family Membership in the Club. Monthly membership dues will commence with the issuance of the membership to Purchaser, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(c) **Club's Membership Plan.** The governing documents of the Club require that upon resale of the Property, all of Purchaser's membership privileges in the Club must be resigned. When Purchaser sells the Property, and so long as Purchaser is a Club member in good standing, Purchaser will be entitled to a refund equal to one hundred percent (100%) of the initiation deposit made for membership in the Club. In addition, if the resale buyer of Purchaser's Property wishes a membership, he or she will have to acquire a membership directly from the Club at the then prevailing rates for the membership desired, and subject to availability and the rules and regulations of the Club. The membership deposit that Purchaser's resale buyer makes for the issuance of a membership may be more or less than the deposit Purchaser made. As previously indicated, a Cliffs Golf Membership is not guaranteed to be available to Purchaser's resale buyer if Purchaser does not acquire one at Purchaser's property closing pursuant to subparagraph (a) above.

3. **Effective Date.** This Addendum shall become effective the last date executed by a party to be bound hereby, and is subject to all other terms and conditions of the Agreement.

Purchaser:

Guy Habi

6 29 2005
Month Day Year

Seller:

Carlton Construction, LLC

By:

Its:

Managing Member

07 25 2005
Month Day Year

For The Cliffs Club:

The Cliffs Golf & Country Club, Inc.

By:

Harry Schult

Its:

TREASURER

07 12 05
Month Day Year

House Model Wynfield

"Exhibit G"

Elevation Type _____

\$ 489,825.00

Residence _____

\$ _____

Component _____

Lot Number _____

Lot 5, Section List Price: \$305,000.00

\$ 489,825.00

Check one of the following:

☐

If checked and initialed, Purchaser does not wish to acquire a membership in the Club at this time. Purchaser understands that membership is subject to availability at the time Purchaser may wish to acquire one, and is not guaranteed. Purchaser will NOT receive any discount off the listed Purchase Price because Purchaser elects not to receive a membership.

(Initial) _____

☒

If checked and initialed, Purchaser wishes to acquire a membership in the Club, either a Cliffs Family Membership or a Cliffs Golf Membership, and wishes to receive a \$35,000 discount and apply it toward the required membership deposit, and has attached hereto a signed Club Membership Addendum. While Purchaser is guaranteed the availability of a golf membership under the Membership Plan only if Purchaser acquires one within 30 days following Purchaser's Closing. Purchaser will receive the discount only if the membership is acquired at the Closing. If this paragraph is checked and initialed, the "Base Purchase Price" below is net of the discount.

AK
(Initial)

Lot Price Component (Discounted if Applicable)

Sub-total Lot and Base Price of House

\$ 270,000.00

\$ 759,825.00

☒

Discount Applied to Membership Deposit. If checked, Purchaser is receiving a \$35,000 discount and applying it to Full Family Membership privileges at the Closing.

☒

Golf Membership, Initiation Deposit Add-on. If checked, Purchaser is upgrading to a Golf Membership an additional sum of \$40,000 at Closing

\$ 35,000.00

\$ 40,000.00

Base Price Before Options
Options Available

☒

Complete Security System

\$ 3,485.00

☒

Glass French Doors in Study

\$ included 1,480.00

☐

Second Master Suite

\$ 9,890.00

☒

Structure Wiring Option A

\$ 5,805.00

☐

Structure Wiring Option B

\$ 12,365.00

☐

Structure Wiring Option C

\$ 26,380.00

☒

Viking Appliance Package

\$ Included

☒

Bonus Room, with Full Bath

\$ Included

☐

N/A

\$ 0.00

☐

N/A

\$ 0.00

\$ 834,825.00

\$ 3,485.00

\$ 0.00

\$ 0.00

\$ 5,805.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 844,115.00

Purchase Price of House/Lot Package, with Membership, if Applicable

Sales Associate _____

Date _____

Purchaser

Date

Greg Heble

6/29/05

06/29/2005 14:38
JUN-20-2005 14:23

5616403059
FROM-CLIFFS VALLEY SALES

NICAL OF PALM BEACH

+8648308268

PAGE 12/23

T-040 P.002/002 F-121

Addendum A

To contract between Carlton Construction, LLC (seller) and Amy Habie (purchaser)

- Contract contingent upon an agreement to be made between purchaser, seller and Cliffs Real Estate Inc regarding furniture and lease terms and conditions satisfactory to purchaser. This agreement must be made by July 8, 2005 or either party can cancel this agreement (with all earnest monies returned to purchaser) or if both parties agree it can be extended.
- Regarding section 11.1 "purchaser will promptly inspect the work" shall be amended to say "purchaser or purchasers agent will promptly inspect the work".

Amy Habie

Purchaser 6/29/05 Date

[Signature]

Seller

7/25/05 Date

CLIFFS GOLF MEMBERSHIP FINANCE ADDENDUM ADDENDUM TO SALES AGREEMENT

The sales agreement by and between Gmy Habie
Purchasers and the Cliffs at Glassy, Inc., seller, is hereby amended as follows:

- Both Seller and Purchaser acknowledge that it is the intent of the Purchaser to upgrade to a Full Golf Membership in the Cliffs Golf and Country Club at *The Cliffs Valley*. Purchaser has previously acquired a Cliffs Family membership. The additional required initiation deposit for the Full Golf Membership is Forty thousand dollars (\$40,000.00).
- Seller offers and Purchaser accepts the Club Membership financing program as detailed below:
 - 1) Purchaser agrees to pay an initial installment of twenty thousand dollars (\$20,000) twelve months following the closing of Lot 549, Phase _____ at *The Cliffs Valley*.
 - 2) The final installment of twenty thousand dollars (\$20,000) is due and payable twenty-four months following the closing.
 - 3) By subscribing to the payment schedule identified above, Purchaser will incur no financing or interest expenses.
- Closing of property is scheduled on or before September 15, 2005
- Club privileges begin at closing
- Monthly Club dues begin at closing
- Owner receives one week per quarter for personal use
- Purchaser may decide whether to furnish or unfurnish and will receive \$2,500 a month leaseback for 12 months

Gmy Habie
Purchaser

7/11/05
Date

Marty R. Schick
Purchaser

7/12/05
Date

Seller

Date

A. U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT SETTLEMENT STATEMENT	B. TYPE OF LOAN: 1. <input type="checkbox"/> FHA 2. <input type="checkbox"/> FmHA 3. <input type="checkbox"/> CONV. UNINS. 4. <input type="checkbox"/> VA 5. <input type="checkbox"/> CONV. INS. 6. FILE NUMBER: 05-2869.5 7. LOAN NUMBER: 8. MORTGAGE INS CASE NUMBER:
--	--

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.
 1.0 3/98 (05-2869.5/05-2869.5/18)

D. NAME AND ADDRESS OF BUYER: Amy Habie 7068 Montrico Drive Boca Raton, FL 33433	E. NAME AND ADDRESS OF SELLER: Carlton Construction SC, LLC 122 Knolls Way Glenville, NC 28736	F. NAME AND ADDRESS OF LENDER:
G. PROPERTY LOCATION: Lot 5, Valley Villas Travelers Rest, SC 29690 Greenville County, South Carolina	H. SETTLEMENT AGENT: J. Darryl Holland PLACE OF SETTLEMENT 722 East Mcbee Ave Greenville, SC 29601	I. SETTLEMENT DATE: September 23, 2005

J. SUMMARY OF BUYER'S TRANSACTION	K. SUMMARY OF SELLER'S TRANSACTION
100. GROSS AMOUNT DUE FROM BUYER:	400. GROSS AMOUNT DUE TO SELLER:
101. Contract Sales Price 769,115.00	401. Contract Sales Price 769,115.00
102. Personal Property	402. Personal Property
103. Settlement Charges to Buyer (Line 1400) 2,788.34	403.
104.	404.
105.	405.
<i>Adjustments For Items Paid By Seller in advance</i>	<i>Adjustments For Items Paid By Seller in advance</i>
106. City/Town Taxes to	406. City/Town Taxes to
107. County Taxes to	407. County Taxes to
108. Assessments to	408. Assessments to
109. POA Dues 09/24/05 to 01/01/06 176.30	409. POA Dues 09/24/05 to 01/01/06 176.30
110. Cliffs Family Membership 35,000.00	410. Cliffs Family Membership 35,000.00
111. Golf Upgrade-\$40,000 deferred	411. Golf Upgrade-\$40,000 deferred
112.	412.
120. GROSS AMOUNT DUE FROM BUYER 807,079.64	420. GROSS AMOUNT DUE TO SELLER 804,291.30
200. AMOUNTS PAID BY OR IN BEHALF OF BUYER:	500. REDUCTIONS IN AMOUNT DUE TO SELLER:
201. Deposit or earnest money 10,000.00	501. Excess Deposit (See Instructions)
202. Principal Amount of New Loan(s)	502. Settlement Charges to Seller (Line 1400) 36,129.00
203. Existing loan(s) taken subject to	503. Existing loan(s) taken subject to
204.	504. Payoff of first Mortgage to Carolina First Bank 150,405.42
205.	505. Payoff of second Mortgage to The Cliffs at Glassy, 277,500.00
206.	506.
207.	507. (Deposit disb. as proceeds)
208.	508.
209. Deferred Construction 318,709.58	509. Deferred Construction 318,709.58
<i>Adjustments For Items Unpaid By Seller</i>	<i>Adjustments For Items Unpaid By Seller</i>
210. City/Town Taxes to	510. City/Town Taxes to
211. County Taxes 01/01/05 to 09/24/05 581.56	511. County Taxes 01/01/05 to 09/24/05 581.56
212. Assessments to	512. Assessments to
213.	513.
214.	514.
215.	515.
216.	516.
217.	517.
218.	518.
219.	519.
220. TOTAL PAID BY/FOR BUYER 329,291.14	520. TOTAL REDUCTION AMOUNT DUE SELLER 783,325.56
300. CASH AT SETTLEMENT FROM/TO BUYER:	600. CASH AT SETTLEMENT TO/FROM SELLER:
301. Gross Amount Due From Buyer (Line 120) 807,079.64	601. Gross Amount Due To Seller (Line 420) 804,291.30
302. Less Amount Paid By/For Buyer (Line 220) (329,291.14)	602. Less Reductions Due Seller (Line 520) (783,325.56)
303. CASH (X FROM) (TO) BUYER 477,788.50	603. CASH (X TO) (FROM) SELLER 20,965.74

L. SETTLEMENT CHARGES						PAID FROM BUYER'S FUNDS AT SETTLEMENT		PAID FROM SELLER'S FUNDS AT SETTLEMENT	
700. TOTAL COMMISSION Based on Price									
Division of Commission (line 700) as Follows:									
701. \$	to		@	%					
702. \$	to								
703. Commission Paid at Settlement									
704. Note to Cliffs for Commission to Cliffs Real Estate, Inc.									
800. ITEMS PAYABLE IN CONNECTION WITH LOAN									
801. Loan Origination Fee	%	to							
802. Loan Discount	%	to							
803. Appraisal Fee		to							
804. Credit Report		to							
805. Yield Spread Premium		to							
806. Commitment Fee		to							
807. Flood Cert.		to							
808. Underwriting Fee									
809. Tax Service Fee									
810. Courier Fee									
811. 2001 Property Taxes		Greenville County							
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE									
901. Interest From	to	@	\$	/day (days %)					
902. MIP Totals for Life/Loan	for	months to							
903. Hazard Insurance Premium for	1.0 years to								
904.									
905.									
1000. RESERVES DEPOSITED WITH LENDER									
1001. Hazard Insurance	months @	\$		per month					
1002. Mortgage Insurance	months @	\$		per month					
1003. City/Town Taxes	months @	\$		per month					
1004. County Taxes	months @	\$		per month					
1005. Assessments	months @	\$		per month					
1006.	months @	\$		per month					
1007.	months @	\$		per month					
1008. Aggregate Adjustment	months @	\$		per month					
1100. TITLE CHARGES									
1101. Settlement or Closing Fee	to								
1102. Abstract or Title Search	to	J. Darryl Holland							
1103. Title Examination	to					200.00			
1104. Title Insurance Binder	to	Investors Title Insurance Co.							
1105. Document Preparation	to	J. Darryl Holland				75.00			
1106. Notary Fees	to							125.00	
1107. Attorney's Fees	to	J. Darryl Holland			1103, 1105	400.00			
(includes above item numbers:)									
1108. Title Insurance	to	Investors Title Insurance Agency				1,350.00			
(includes above item numbers:)									
1109. Lender's Coverage	\$								
1110. Owner's Coverage	\$	769,115.00			1,350.00				
1111.									
1112.									
1113.									
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES									
1201. Recording Fees: Deed \$	10.00; Mortgage \$			Releases \$	5.00				
1202. City/County Tax/Stamp: Deed	999.00; Mortgage					10.00		5.00	
1203. State Tax/Stamp: Revenue Stamps								999.00	
1204. Assignment Fee									
1205.									
1300. ADDITIONAL SETTLEMENT CHARGES									
1301. Survey	to								
1302. Pest Inspection	to								
1303. Courier Express Fees	to	J. Darryl Holland				50.00			
1304. Copies/Fax/Mail	to	J. Darryl Holland				25.00			
1305. See addit'l disb. exhibit	to					678.34		35,000.00	
1400. TOTAL SETTLEMENT CHARGES (Enter on Lines 103, Section J and 502, Section K)									
						2,788.34		36,129.00	

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

Certified to be a true copy.

J. Darryl Holland
Settlement Agent

ADDITIONAL DISBURSEMENTS EXHIBIT

Buyer: Amy Habie
Seller: Carlton Construction SC, LLC
Settlement Agent: J. Darryl Holland
(864)467-0500
Place of Settlement: 722 East Mcbee Ave
Greenville, SC 29601
Settlement Date: September 23, 2005
Property Location: Lot 5, Valley Villas
Travelers Rest, SC 29690
Greenville County, South Carolina

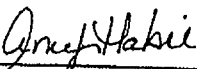
PAYEE/DESCRIPTION	NOTE/REF NO	BUYER	SELLER
Cliffs Golf and Country Club, Inc. Cliffs Family Membership			35,000.00
Cliffs Valley Homeowner's Assoc. Working Capital		108.34	
Valley Villas Homeowner's Assoc. Valley Villa HOA Dues		570.00	
Total Additional Disbursements shown on Line 1305		\$ 678.34	\$ 35,000.00

ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

Buyer: Amy Habie
Seller: Carlton Construction SC, LLC
Settlement Agent: J. Darryl Holland
(864)467-0500
Place of Settlement: 722 East Mcbee Ave
Greenville, SC 29601
Settlement Date: September 23, 2005
Property Location: Lot 5, Valley Villas
Travelers Rest, SC 29690
Greenville County, South Carolina

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Carlton Construction SC, LLC



Amy Habie

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

J. Darryl Holland
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

CLUB MEMBERSHIP
PROMISSORY NOTE

Amy Habie
EIN or SS No.

PROMISSORY NOTE

\$40,000.00

10/4/05
(Date)

FOR VALUE RECEIVED, Amy Habie, individual(s) ("Borrower") promise(s) to pay to the order of The Cliffs Communities, Inc. ("Lender") with an address at 301 Beaver Dam Road, Travelers Rest, S.C. 29690, Attention: James B. Anthony (or at such other place or places as the Lender may designate) the principal sum of Forty Thousand and No/100 (\$40,000.0) Dollars under the terms and conditions of this promissory note (the "Note").

1. Interest. Interest shall accrue on any outstanding balance under this Note at an annual rate of interest equal to 0.00%.

2. Payments.

(a) One year from the date hereof, Borrower will pay Lender the principal amount of Twenty Thousand and No/100 (\$20,000.00) Dollars, together with accrued and unpaid interest, if any is due hereunder.

(b) Two years from the date hereof, Borrower will pay Lender the remaining principal amount of Twenty Thousand and No/100 (\$20,000.00) Dollars, together with accrued and unpaid interest, if any is due hereunder.

3. Prepayment. This Note may be prepaid in whole or in part at any time without any premium or penalty.

4. Late Charges. In the event any payment is delinquent more than five (5) days, the Borrower will pay to the Lender a late charge of one and on-half percent (1½%) of the amount of the overdue payment. This provision for late charges shall not be deemed to extend the time for payment or be a "grace period" or "cure period" that gives the Borrower a right to cure a default condition. Imposition of late charges is not contingent upon the giving of any notice or lapse of any cure period provided for in the Pledge Agreement. Additionally, interest shall begin to accrue at the rate of eighteen percent (18%) per annum on the outstanding balance under this Note from the expiration of the five-day period until Lender receives payment.

5. Application of Payments. All sums received by the Lender for application to the loan may be applied by the Lender to late charges, expenses, costs, principal and other amounts owing to the Lender in connection with the Loan in the order selected by the Lender in its sole discretion.

6. Expenses. In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower will pay, in addition to principal and interest, all costs of collection, including, without limitation, attorneys' fees.

7. Taxpayer Identification Number. This Note provides for the Borrower's federal taxpayer identification (or social security) number to be inserted on the first page of this Note. If such number is not available at the time of execution of this Note or is not inserted by Borrower, Borrower hereby authorizes and directs the Lender to fill in such number on the first page of this Note when the Borrower advises the Lender of such number.

8. Right of Offset. The Lender is granted a lien on and security interest in all property or assets (including Borrower's Cliffs Clubs Membership Deposits and other credits) of Borrower, at any time in the possession or control of (or owing to) the Lender under the Cliffs Clubs Membership Plan. The Lender shall have the right to exercise set-off by applying any such Deposits or credits toward the payment of amounts owed hereunder, without notice. The Lender shall be deemed to have exercised such right to set-off and to have made a charge against any such property or assets immediately upon the occurrence of such default even though the charge is made or entered on the books of the Lender subsequent thereto.

9. Waiver. Borrower waives demand, notice, presentment, protest, demand for payment, notice of dishonor, notice of protest and diligence of collection of this Note. Borrower consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by the Lender with respect to the payment or other provisions of this Note. Borrower agrees that makers, endorsers, guarantors and sureties may be added or released without notice and without affecting Borrower's liability hereunder. The liability of Borrower shall be absolute and unconditional and without regard to the liability of any other party hereto.

10. Jurisdiction. Borrower hereby consents that any action or proceeding against it be commenced and maintained in any court within the State of South Carolina by service of process on any such owner, partner and/or officer; and Borrower agrees that the courts of such State shall have jurisdiction with respect to the subject matter hereof and the person of Borrower. Borrower agrees not to assert any defense to any action or proceeding initiated by the Lender based upon improper venue or inconvenient forum.

11. Governing Law. This Note was executed and delivered in the State of South Carolina and shall be governed by and construed in accordance with the laws of the State of South Carolina without reference to conflict of laws principles.

12. Waiver of Jury Trial. BORROWER AND THE LENDER AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY THE LENDER OR BORROWER, ON OR WITH RESPECT TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. THE LENDER AND THE BORROWER EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE

LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, BORROWER WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS NOTE AND THAT THE LENDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS NOTE.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed as of the day and year first above written.

BORROWER:

Amy Habie

Amy Habie

COMPOSITE EXHIBIT B

THE CLIFFS COMMUNITIES REAL ESTATE SALE AND PURCHASE AGREEMENT

THIS REAL ESTATE SALE AND PURCHASE AGREEMENT (the "Agreement") made by and between the below-named seller (the "Seller") identified on the Seller's signature page below (the "Seller"), and the below-named purchaser (the "Purchaser") identified on the Purchaser's signature page below.

Part I. Identifications

- A. **The Property and To-Be-Constructed Residence.** The "Property" to be purchased is identified as:
 Section Villas, Lot 9, House Model Brookdale, Elevation Type Cliffs Valley (the "Community").
 The "Developer" of the Community is The Cliffs at Glassy, Inc.

The purchase hereunder does not include a membership in the Cliffs Golf and Country Club (the "Club"), which is reserved solely to its members in accordance with the use rights conferred by the Club Membership Plan. Seller does not operate the Club. The Club is operated by The Cliffs Golf & Country Club, Inc., or by one of its Club affiliates. Seller will, however, discount the list price of the Property by \$35,000 if Purchaser agrees to acquire a membership and pay that amount at Closing toward a membership.

Check one of the following:

- ☒ If checked and initialed, Purchaser elects to acquire a membership in the Club. Purchaser will receive a \$35,000 discount off the list price, and will apply it toward the required membership deposit. A signed Club Membership Addendum is attached. If this paragraph is checked and initialed, the Lot Price Component shown in Exhibit "G" is net of the discount.
- ☐ If checked and initialed, Purchaser does not wish to acquire a membership in the Club at this time. Purchaser understands that membership is subject to availability at the time Purchaser may wish to acquire one, and is not guaranteed. Purchaser will NOT receive any discount off the listed Price because Purchaser elects not to receive a membership.

- B. **Payment of the Price.** The "Price" is the sum of the price of the Lot ("Lot Price Component"), discounted if applicable, the price of the residence and options, if any, (the "House Price Component") and the membership deposit payable to the Cliffs Club (the "Membership Component"), as provided in Exhibit "G" attached hereto and incorporated by reference, and payable as follows:

(i) Initial Earnest Money Deposit. An Earnest Money Deposit paid to Escrow Agent herewith (Credited to Lot Price Component)	Total Price: \$ <u>749,640.00</u>
(ii) Additional Deposit Due. An additional Earnest Money Deposit due Escrow Agent within <u>0</u> days of the Effective Date hereof (Credited to Lot Price Component)	\$ <u>10,000.00</u>
(iii) House Price Component. The House Price Component payable, in accordance with Section 10 of Part II, less mobilization costs at Closing in the sum of \$ <u>30,000.00</u> , paid in accordance with Section 10.1	\$ <u>0.00</u>
(iv) Membership Component at Closing. The Membership Component, if any and as set forth in Exhibit "G," payable at Closing	\$ <u>449,640.00</u>
(v) Balance at Closing. The balance required at Closing in cash or certified funds (remaining Lot Price Component plus mobilization costs at Closing listed under subparagraph (iii) above, but not including Purchaser's closing costs, prepaids, and escrow deposits)	\$ <u>75,000.00</u>
	\$ <u>215,000.00</u>

- C. **Association Assessments.** Purchaser acknowledges that assessments and working capital, as described in Section 7.4 of Part II of this Agreement, are due at the Closing and in the amounts set forth in the Additional Information Addendum attached hereto and made a part hereof by this reference.
- D. **Escrow Agent.** The "Escrow Agent" is Jeffrey H. Gray, P.C., whose address is set forth in Section 17.3 of Part II below; and all deposits to Escrow Agent should be made payable to **The Jeffrey H. Gray, P.C. Trust Account.**

Part II.
Terms and Conditions

For and in consideration of the Price set forth in Part I hereof and the mutual promises contained in this Agreement, Purchaser agrees to buy and Seller agrees to sell the Property, conditioned upon there having not been a sale to a third party prior to the receipt of this Agreement by Seller, properly executed by Purchaser, together with the Earnest Money Deposit as provided in Part I, and execution hereof by Seller.

1. **The Price.** Purchaser will pay the Price set forth in Paragraph B of Part I of this Agreement.

1.1 **Earnest Money Deposit.** The Escrow Agent will receive the Earnest Money Deposit set forth in Paragraph B of Part I, and will deposit said sums in its non-interest bearing escrow account, to be held by the Escrow Agent as the Earnest Money Deposit to be disbursed in accordance with this Part II. In the event of a termination of this Agreement under this Part II, except in the event of Purchaser's default (in which event the Earnest Money Deposit will be paid over to Seller as herein provided), all of the Earnest Money Deposit will be refunded to Purchaser without interest.

1.2 **Payments at Lot Closing.** At the Closing Escrow Agent will disburse the Earnest Money Deposit to the Closing Attorney. The Purchaser will pay, in addition to Purchaser's Closing costs, prepaids, and Closing escrow deposits required to be paid by Purchaser, the balance of the Lot Price Component, after credit for the Earnest Money Deposit, the required mobilization payment, to be credited against the last draw request for the House Price Component under Section 10.1 below, and the Membership Component payable for membership in the Club. The Price calculations for the Lot Price Component, the House Price Component and the Membership Component, if any, are detailed in Exhibit "G." Such amounts due in cash or by certified collected funds at Closing are set forth in Paragraphs B(iv) and B(v) of Part I above

2. **Financing**

2.1 **No Financing Contingency.** Purchaser acknowledges that this form of Agreement does not provide a financing contingency as a pre-condition to Purchaser obligations hereunder. Seller makes no representations as to the availability or terms of financing, and the duties of Purchaser and Seller hereunder are not contingent upon Purchaser obtaining financing, or obtaining financing with any specific terms or conditions unless Seller and Purchaser enter into a separate addendum hereto providing for the same.

2.2 **Purchaser's Responsibility.** Purchaser is responsible for obtaining desired financing for the purchase of the Property. By suggesting a source of financing and/or providing the application for such financing, Seller will not be deemed to have assumed any responsibility for obtaining such financing for Purchaser or to represent or warrant that such financing will be available to Purchaser. Purchaser represents that Purchaser has the financial means to purchase the Property. Purchaser shall fully cooperate with Seller in procuring any evidence Seller reasonably requests that Purchaser has the financial means to pay the balance of the Price. Purchaser hereby gives Seller or Seller's designated agent permission to obtain one or more credit reports on Purchaser prior to the Closing Date. If Purchaser elects to obtain financing for the purchase of the Property, Buyer shall promptly apply for such financing and promptly deliver a loan commitment from an institutional lender (the "Lender") to Seller. If Buyer is not financing the purchase of the Property, Purchaser shall promptly deliver account verifications to Seller upon Seller's request. If Seller determines, at any time prior to the Closing Date, in Seller's sole but reasonable discretion, that it is unlikely that Purchaser will be able to pay the balance of the Price on the Closing Date, Seller may terminate this transaction, and the Earnest Money Deposit shall be returned to Purchaser.

3. Seller's Contingencies.

3.1 **Closing Lot Acquisition.** The lot, of which the Property to be sold is a part, is to be purchased by Seller from the Developer pursuant to a Lot Purchase Agreement by and between the Developer and Seller, the closing of which is a condition of Closing hereunder. Seller's obligations under this Agreement are contingent upon the satisfaction of one of the following conditions and requirements:

(a) Simultaneously with the Closing Date hereunder, Seller shall close its purchase of the lot component of the Property, failing which Seller shall refund to Purchaser all deposits made by Purchaser, with neither of Seller nor Purchaser having any further obligation to the other thereafter; or

(b) Seller shall have waived, in writing to Purchaser, the condition set forth in clause (a) above.

3.2 **Rights of Termination.** In the event the contingency is set forth in Section 3.1 is not satisfied on or before the expiration of the term set forth therein, both Seller and Purchaser will each have the right, at their respective option, to terminate this Agreement by delivery of written notice to the other; provided that, if Purchaser elects to exercise such right, Purchaser must deliver notice to Seller of Purchaser's intent to terminate this Agreement, and Seller will thereafter have five (5) business days within which to waive said contingency.

4. Plans and Specifications; Construction; Warranties.

4.1 **Plans and Specifications.** The improvements constituting the residence to be constructed by Seller are more fully described in the plans and specifications on file in Seller's on-site office or the office of Cliffs Real Estate, Inc., and available for Purchaser's inspection or copying, subject to reasonable copying charges, during normal business hours (the "Plans"), and in the attached Features and Options sheet signed by Purchaser, also made a part hereof by this reference ("Options"). Purchaser acknowledges that Seller is not the licensed architect or professional engineer who signed the Plans; that Seller has relied, and will continue to rely, upon the drawings and specifications of the architects and engineers and that Seller's construction work has been and/or will be performed in accordance therewith, except as otherwise allowed under Section 4.1(a); that Seller will not be responsible for any defects in the Plans or construction in accordance therewith; provided, however, Seller shall be responsible for defects as shall be the direct and proximate result of Seller's gross negligence. Furthermore, Seller shall not be responsible for any incidental or consequential damages arising from such defects in construction. Purchaser acknowledges that Purchaser shall acquire no ownership rights in the Plans and Purchaser may not make any unauthorized use of the same.

(a) **Change Orders.** Except as otherwise allowed under Section 4.2(c) below, the work shall be undertaken in accordance with the Plans and Options, which shall only be modified, added to and reduced by written Change Order issued by Seller and executed by Purchaser. All sums due and owing Seller by Purchaser due to a Change Order shall be added to the House Price Component shown and designated in Paragraph B(iii) of Part I above, payable in accordance with the terms and conditions of Section 10 below.

4.2 Seller's Construction.

(a) **Commencement.** Seller shall have no obligation to Purchaser to close any required acquisition of the lot under Section 3.1 and to commence construction until Purchaser has closed Purchaser's purchase with Seller. If Purchaser does not intend to finance Purchaser's Property purchase, Seller may, in its sole discretion, require that Purchaser deposit in escrow with Escrow Agent such portion thereof as Seller shall reasonably require, and which may be drawn against pursuant to Section 10.

(b) **Site Visits by Purchaser.** Purchaser agrees that if Purchaser or Purchaser's family, guests, outside contractors, agents or invitees enter onto any area of construction, they do so at their own risk, and neither Seller, nor Seller's subcontractors, suppliers, agents or employees shall be liable for any damage, loss or injury to such persons or their property.

(c) **Construction Work.** Seller agrees that the residence will be constructed in a workmanlike manner. Seller reserves the right to make minor architectural or design changes of an aesthetic nature in the Plans as Seller

deems necessary or desirable, which may be occasioned by experience, practicability or as is common in the construction industry in general, or as may be required by governmental authority, which changes make no substantial change in size or floor plan of the residence improvements. Furthermore, Seller expressly reserves the right to make substitution of materials, appliances, products, or brand names in the Plans and Options, provided substitutes are of substantially equal or greater quality to those shown in or called for by the Plans and Options.

(d) **Completion.** Pursuant to the requirements for exemption of this transaction under the Interstate Land sales Full Disclosure Act, Seller agrees to complete the construction of the residence not later than two (2) years from the Effective Date hereof, subject to closing by Purchaser hereunder. In the event construction is delayed through no fault of Seller, including, but not limited to, for reasons such as strikes, accidents, weather conditions, and other delays beyond Seller's control, then the time of completion will be extended by the same number of days that construction is delayed.

4.3 Delays Caused by Purchaser.

(a) **Construction Work Delays.** Purchaser acknowledges that Purchaser is responsible for providing Seller information to be used as part of Seller's construction work, including but not limited to Purchaser's Options. In the event Purchaser does not provide Seller a copy of the Options signed by Purchaser, as well as any other information needed by Seller to construct the residence and for which Seller has provided written notice to Purchaser, within ten (10) days following Seller's written notice to Purchaser, Purchaser shall pay Seller a sum equal to \$100 per day of delay by Purchaser. This sum is due and payable immediately to Seller by Purchaser upon Seller's written notice to Purchaser of the sum due and owing.

4.4 Warranty of Improvements. SELLER REPRESENTS, WARRANTS AND COVENANTS TO PURCHASER:

FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF ISSUANCE OF THE CERTIFICATE OF OCCUPANCY FOR THE RESIDENCE IMPROVEMENTS, SELLER WILL, AT NO COST, REPAIR OR REPLACE ANY PORTION OF THE RESIDENCE WHICH IS DEFECTIVE AS TO MATERIAL OR WORKMANSHIP; PROVIDED, HOWEVER, SELLER SHALL NOT BE RESPONSIBLE FOR THE REPAIR OR REPLACEMENT OF FIXTURES, APPLIANCES AND OTHER SUCH MATERIALS COVERED BY A SEPARATE MANUFACTURER'S WARRANTY. FURTHERMORE, PURCHASER ACKNOWLEDGES AND AGREES THAT PURCHASER SHALL PERFORM SUCH ROUTINE MAINTENANCE AS IS SET FORTH IN ANY WRITTEN MANUAL, INSTRUCTION BOOKLET OR OTHER WRITING AS SELLER MAY PROVIDE PURCHASER OR AS MAY BE PROVIDED BY ANY SUCH MANUFACTURER. PURCHASER'S FAILURE TO OBSERVE AND PERFORM ANY SUCH RECOMMENDED MAINTENANCE MAY INVALIDATE ANY WARRANTY WITH RESPECT TO THE ITEM FOR WHICH MAINTENANCE WAS NOT PERFORMED. THIS LIMITED WARRANTY IS AND SHALL BE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. ANY WARRANTY OF HABITABILITY, SUITABILITY FOR RESIDENTIAL PURPOSES, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IS AND SHALL BE EXCLUDED AND DISCLAIMED. SELLER SHALL IN NO EVENT BE HELD LIABLE FOR CONSEQUENTIAL DAMAGES PROXIMATELY CAUSED BY A BREACH OF WARRANTY, SELLER'S TOTAL LIABILITY BEING THE COST OF REPLACEMENT OR REPAIR, AND PURCHASER WILL NOT BE ENTITLED TO ANY COMPENSATION FOR LOST RENTAL OR INCONVENIENCE.

Seller's liability hereunder is expressly limited to the foregoing warranty and SELLER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED.

4.5 **Voiding of Warranty.** Purchaser acknowledges that some actions by Purchaser may void both Seller's warranty and any manufacturer's warranty. While any such warranty remains in effect, Purchaser shall not undertake or have undertaken any work which changes, modifies or adds to the residence as constructed by Seller without first having

received Seller's or the manufacturer's written approval and confirmation its warranty shall not be voided thereby, failing which Purchaser shall assume all liabilities which might arise from such work's voiding any warranty given Purchaser.

4.6 **Insulation.** Seller hereby gives Purchaser notice that the residence will have batt insulations installed in all exterior walls to the minimum R-value thickness set forth in the Additional Information Addendum attached hereto and made a part hereof by this reference. Seller does not warrant that the insulation will yield the R-values as represented by the manufacturer. In the event the R-values are unavailable at the execution hereof and blanks appear in the Additional Information Addendum, Seller will, when such insulation R-values become available to Seller, provide a written statement thereof to Purchaser.

5. **Recorded Covenants.**

5.1 **The Declaration of Covenants & Property Owners' Association.** The Property will be conveyed subject to covenants, conditions, restriction and easement for the Community, recorded in the Office of Register of Deeds for the County in which the Community is located, as the same may be amended from time to time (herein, sometimes referred to as the "Declaration"), which includes the obligation that Purchaser pay regular and special assessments when levied for the common facilities and services of the community or property owners' association formed under the Declaration and of which Purchaser will be a Member (herein, sometimes referred to as the "Association") commencing with the date Seller conveys title to the Property. Purchaser hereby acknowledges having received a copy of the Declaration, with appended Bylaws of the Association.

5.2 **Architectural Review.** Purchaser hereby acknowledges that any improvement to the Property, including landscape improvements, will be subject to the architectural guidelines established, from time to time, pursuant to the Declaration, and the prior written approval thereof by the architectural review committee established thereunder. Purchaser and Purchaser's builder will be solely responsible for the completion of construction of all improvements on the Property and for proper drainage during and after house construction, as well as the published fee payable to architectural review committee for review and approval, prior to construction, of all construction and design plans with respect to any improvements to be placed on Purchaser's Property. Purchaser or Purchaser's contractor will also be responsible for posting a bond with the architectural review authority created under the Declaration prior to commencing construction, as published from time to time by the architectural review committee. The plans that Seller has or will use in construction of the residence has been approved by the architectural review committee and no bond is required with respect thereto.

6. **The Golf & Country Club.** Purchaser acknowledges the plan of development for the Community includes the Club's operation of a commercial, private golf and country club facility adjacent to or within the boundaries of the Community. Purchaser further acknowledges that the Club's recreational facilities are operated by an affiliated third party to the Community's developer, as a commercial business, and not as a non-profit enterprise, that Purchaser will have a license to use the facilities as herein described if Purchaser acquires a membership to do so, and that neither Purchaser nor any property owner association of which Purchaser may be a member has or will receive any ownership interest in the Club's facilities by virtue of Purchaser's acquisition of the Property or membership in any such property owner association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership opportunities pursuant to a published Membership Plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If Purchaser wishes to become a member, Purchaser should take the time to read the Membership Plan prior to acquiring a membership. Purchaser acknowledges receiving a summary of The Cliffs Club membership opportunities. Such information is summary only, and Purchaser should refer to the Membership Plan for the actual terms and condition applicable to membership in the Club.

7. **Closing.** Subject to the satisfaction of all contingencies incorporated herein pursuant to Section 3 above, the sale and purchase contemplated by this Agreement will be closed by delivery to Purchaser of a properly executed and acknowledged general warranty deed, in proper, recordable form, in exchange for payment to Seller of the Price as hereinabove provided. Notwithstanding any provisions herein to the contrary, the legal description for Purchaser's Property will be in accordance with and based upon the approved, bonded plat for the subdivision of which the Property is a part (the "Plat").

7.1 Deed to Property. The general warranty deed will convey to Purchaser a good and marketable or insurable (at regular rates), fee simple title to the Property subject to matters of record, including, but not limited to, the following:

- (a) Taxes and assessments not yet due.
- (b) All special easements, restrictions and conditions shown and noted on the Plat.
- (c) Licenses and easements for utilities serving the property.
- (d) The Declaration and the Bylaws of the Association.
- (e) Covenant that the Property conveyed, including any dwelling thereon or to be built thereon, will not be used for or subject to any type of time share plan under South Carolina law, or used as part of any time share exchange program or is made available as an accommodation for prospects to purchase a time share plan interest at any location.
- (f) Applicable ordinances, building codes and development standards, if any.
- (g) Any and all other easements, rights-of-way, restrictive or utility easements, restrictions, covenants, affirmative obligations and conditions of record in the office of Register of Deeds for the County in which the Community is located.

If a title insurance company which is a member of the American Land Title Association will issue a binder to issue an owner's title insurance policy at Purchaser's expense, insuring the title to the Property at regular rates in an amount equal to the sum of the Lot Price Component and the House Price Component (which owner's title insurance policy will have as exceptions only standard exceptions and those exceptions as are herein agreed and set forth), Seller will be deemed to be able to convey a marketable title in fee simple. If, at the Closing, Seller cannot deliver a general warranty deed to the Property subject to the exceptions above, Seller will have the right to extend the Closing for an additional thirty (30) days to comply with the terms of the title policy.

7.2 Closing Date and Time. Closing will be conducted in the manner provided hereinafter within thirty (30) days following the Effective Date hereof, at the location set forth in Section 7.3 and at a time selected by Seller. Provided that Seller has fulfilled all of its obligations to Purchaser pursuant to this Agreement, Purchaser's failure or refusal to close at the time, place and date provided may, at Seller's option, be deemed a default by Purchaser.

7.3 Closing Location. Tender of the deed by Seller and the performance of Seller's requirements will be made at the Closing location designated by Seller on or before 10 days prior to the scheduled Closing. In no event will delivery of the deed exceed one hundred eighty (180) days from the date of Purchaser's execution of this Agreement. The Closing may take place in escrow, with Purchaser participating by making all deliveries required to be made by mail to the Closing attorney prior to the Closing date, instead of in person; provided that all funds to be received from Purchaser on the Closing date, whether in person or by mail, must be in cash or certified, collected funds.

7.4 Closing Costs. Seller will pay for the preparation of the deed and the deed transfer fee required to record the deed, and Seller's attorney's fees. Purchaser shall pay for any and all other Closing costs, including but not limited to, loan service and origination fees, credit report and underwriting fees, appraisal expenses, recording fees, prepaid items, and title insurance premiums, and Purchaser's attorney's fees. A working capital contribution equal to two-months' Association assessments shall be paid to the Association, as provided in the Declaration.

(a) **Prorations at Closing.** Taxes and the Association's assessments will be prorated between Seller and Purchaser as of the date of closing, based upon information then available. Seller and Purchaser agree to adjust any such prorations following the Closing, as may be required by receipt of final bills therefor.

8. **Defaults.**

8.1 **Default by Purchaser.** In the event Purchaser defaults in the performance of any of Purchaser's obligations pursuant to this Agreement and Seller is not in default, Seller will have the right to specifically enforce this Agreement according to its terms and/or to pursue any and all other remedies available to Seller at law or in equity, or Seller will, at Seller's election, be released from any further obligations to Purchaser pursuant to this Agreement and in such event will be entitled to retain the Earnest Money Deposit as agreed liquidated damages, it being the intention and agreement of Seller and Purchaser that the amount of such Earnest Money Deposit will act as a fair measure of compensation for actual damages incurred by Seller as a result of Purchaser's default. However, notwithstanding the provisions of this Section 8.1, Seller expressly agrees that Seller will give Purchaser written notification of Purchaser's default or breach of contract and the opportunity to correct the default or breach within twenty (20) days following the receipt of Seller's notice.

8.2 **Default by Seller.** If Seller defaults in the performance of any of Seller's obligations as set forth in this Agreement and such default is not cured within twenty (20) days after written notice of default is given to Purchaser by Seller, Purchaser's sole remedy will be to rescind this Agreement and receive the immediate return of Purchaser's Earnest Money Deposit, pay Purchaser's reasonable attorney's fees for any title examination by Purchaser's attorney and for such other reasonable closing expenses which Seller agrees, in its sole discretion, to pay; provided, however, that in the event of a non-material breach of any term or condition of this Agreement, Purchaser's remedies will not include termination of this Agreement.

9. **Real Estate Commission.** It is understood that Seller has by separate agreement appointed Cliffs Real Estate, Inc. as the exclusive real estate agent for sales of Seller's properties within the Community. Purchaser warrants and represents that, except as set forth to the contrary on the signature page of Purchaser, Purchaser has not dealt with any other real estate agent who may be entitled to claim a real estate commission in this transaction.

10. **Residence Construction Progress Payments.** The House Price Component for the residence constructed or to be constructed is set forth in Paragraph B(iii) of Part I above will be paid as herein provided.

10.1 **Payment of Initial Payment/Mobilization Costs.** Purchaser shall pay at the Lot Closing the sum set forth under Paragraph B(iii) as a credit against the House Price Component, to cover mobilization and other costs of Seller's construction. This initial payment shall not be credited against any draw request until Seller has submitted its final draw request following completion of construction, which final draw shall reflect a credit equal to mobilization sum paid at Closing and listed under Paragraph B(iii).

10.2 **House Price Component Payable as Construction Progresses.** The House Price Component set forth in Paragraph B(iii) of Part I above, after giving effect to a credit for mobilization and other costs of Seller's construction payable at the Closing, will be paid, from time to time, as construction progresses and in accordance with the percentage of work completed to the date a request for payment is made by Seller.

10.3 **Costs of Draw Requests.** The cost of any inspection by Purchaser's Lender's with respect to a draw request will be at Purchaser's sole cost and expense. In order to secure the balance of the House Price Component, Purchaser will assign to Seller and authorize Purchaser's Lender to disburse to Seller the entire remaining proceeds of Purchaser's construction/permanent loan. Purchaser will and hereby do authorize Purchaser's Lender to process Seller's draw requests and to disburse the funds directly to Seller. Neither Purchaser's signature nor any other form of approval will be required in order for Purchaser's Lender to process and disburse such draw requests. Purchaser will, nevertheless, be solely responsible for payment of any draw request and the Lender's failure to fund or timely pay shall not relieve Purchaser of liability for the payment thereof and within the time herein provided.

10.4 **Balance of House Price Component Less Than Remaining Under Loan or No Loan.** In the event the balance to be paid under Purchaser's construction/permanent loan is less than the remaining total of the House Price Component, then Purchaser will place the shortfall into an interest bearing account with Purchaser's Lender (or if Purchaser's Lender is not a federal or state bank or savings institution, then with a federal or state bank or savings institution agreeable to Purchaser's Lender) to be disbursed to Seller by Purchaser as draw requests are submitted. All funds deposited by Purchaser with Purchaser's Lender as aforesaid will be disbursed to Seller prior to the disbursement of

the remaining balance under the construction/permanent loan. If Purchaser is not securing a construction/permanent loan, at Closing Purchaser will place the balance of the House Price Component into an interest bearing account with a federal or state bank or savings institution maintained by the Escrow Agent, to be disbursed to Seller by the Escrow Agent as draw requests are submitted.

ANYTHING CONTAINED HEREIN TO THE CONTRARY NOTWITHSTANDING, PURCHASER SHALL BE RESPONSIBLE FOR THE PAYMENT TO SELLER OF THAT PERCENTAGE OF THE WORK SUBMITTED AS A DRAW REQUEST BY SELLER AND CERTIFIED BY SELLER AS HAVING BEEN COMPLETED. EACH SUBMISSION FOR A DRAW REQUEST MADE BY SELLER ON OR BEFORE THE 25TH DAY OF THE MONTH SHALL BE PAYABLE NOT LATER THAN THE 8TH DAY OF THE FOLLOWING MONTH. IN THE EVENT PURCHASER, OR THE ESCROW AGENT, IF APPLICABLE, FAILS TO MAKE SUCH CONSTRUCTION PROGRESS PAYMENT FOR ANY REASON, PURCHASER SHALL BE IN DEFAULT HEREUNDER AND SELLER MAY CEASE WORK AND PURSUE ALL REMEDIES AVAILABLE TO US.

10.5 Options And Allowances. The House Price Component may include certain "Allowances," as the same may be further set forth in the Features and Options sheet referred to in Section 4 above. It is Seller's and Purchaser's mutual understandings that any such Allowances are not to be construed as firm bids by Seller. The Allowances, which have been used to arrive at the House Price Component, may vary from the actual cost based on Purchaser's selections. If the dollar amount of Allowances is in excess of the actual cost based upon Purchaser's selection, Seller shall execute a change order providing a credit for the amount of such excess. If the dollar amount of Allowances proves to be insufficient, Purchaser may elect to execute an appropriate Change Order authorizing a price increase occasioned by Purchaser's selections, as necessary to complete construction with the Allowance items selected by Purchaser. If Purchaser declines to execute such Change Order or to change such selections, Seller may, at Seller's option, substitute material and components as needed to complete the construction within the dollar amount of Allowances as stated, which may require inclusion of lesser grade materials or the elimination of certain options or features. Purchaser agrees to complete all color and material selections and selection of Allowance items prior to the commencement of construction.

10.6 Taxes. Seller will pay all sales, consumer, use and other similar taxes, which are legally enacted at the date hereof. From and after the Closing, Purchaser will pay when due all real property taxes and taxes imposed upon improvements to the real property, and all property and homeowner assessments which may become, if remaining unpaid, a lien upon the Property.

11. Acceptance And Final Payment

11.1 Inspection of Completed Work. Upon receipt of Seller's written notice that the work is ready for final inspection and acceptance ("Substantial Completion"), Purchaser will promptly inspect the work. Purchaser will promptly pay or cause to be paid the balance of the House Price Component due under this Agreement.

11.2 Lien Waiver Affidavits. The final payment upon Substantial Completion will not be made until Seller has delivered to Purchaser an affidavit stating that all materials and services for which a lien could be filed have been paid and such other affidavit as may be required by Purchaser's Lender and/or Title Insurance Company.

11.3 Occupancy of Residence. Purchaser agrees that Purchaser will not occupy the residence to be constructed hereunder until such time as the Property is certified to be complete by Seller, a Certificate of Occupancy is issued, and Seller has been paid all sums due hereunder. Purchaser's occupancy will be deemed to be final acceptance.

11.4 Purchaser's Furniture, Furnishings and Other Personal Property. None of Purchaser's personal property will be stored in the residence prior to the time of possession as stated above, and any of Purchaser's personal property or possessions placed in the residence in violation of the foregoing shall be at Purchaser's sole risk. Purchaser acknowledges and agrees that if Purchaser stores any personal property on the Property lot or in the residence prior to

permitted occupancy, Purchaser's insurance must then be in place as Seller's Builder's Risk insurance will then become null and void.

11.5 Minor Punch List No Grounds For Delay. Anything contained herein to the contrary notwithstanding, construction shall be deemed substantially completed upon the issuance of a Certificate of Occupancy for the Property, and any required work to be completed thereafter arising from minor punch list items shall not prevent the then current condition from being deemed Substantial Completion.

12. Construction Permits, Fees, Approvals, And Regulations; Utility Connection and Other Fees. Seller will secure and pay for all permits, licenses, and all other approvals necessary for the proper execution and completion of the construction of the residence, and any that may be applicable during the course of construction. Seller shall give all notices and comply with all laws, ordinances, rules and regulations bearing on the conduct of the work. Purchaser shall pay all connection, impact, and utility fees.

13. Surveys. Seller will, if requested by Purchaser, obtain boundary and foundation surveys, at Purchaser's sole cost.

14. Insurance. Both Seller and Purchaser will each maintain insurance, as herein provided, for the benefit of both, as their interests may appear. Seller shall maintain, at Seller's expense, Fire and General Builder's Risk Insurance upon the entire structure for one hundred percent (100%) of the insurable value thereof. Seller shall maintain such insurance as is required by statute to protect Seller from claims under workmen's compensation acts and other applicable employee benefit acts, from claims for damages because of bodily injury, including death, and from claims for damages to property which may arise both out of and during work by Seller under this Agreement, whether such work is conducted by Seller or by any subcontractor or anyone directly or indirectly employed by either Seller or Purchaser or the subcontractor. Purchaser will maintain such insurance as will protect Purchaser from Purchaser's contingent liability to others for damages because of bodily injury, including death, which may arise from activities under this Agreement, and any other liability for damages which Seller is required to insure under any provision of this Agreement, and as may be further required by Purchaser's Lender, if any

15. Hazardous Materials. Seller shall not be responsible for the detection, treatment, or removal of hazardous material determined to be at the lot. Should Seller encounter materials on the lot reasonably believed to be hazardous, Seller shall have the right to stop work and remove Seller's employees from the project until the nature of the substances have been determined and, if necessary, removed or rendered harmless. If the work is suspended under the circumstances described above, Seller will be entitled to be reimbursed by the Developer, from whom Seller acquired the lot, for any additional cost owing to the discovery of the hazardous material and the resulting delay; provided, however, recovery of such reimbursement shall not alone permit Seller to stop work. Reimbursable costs shall include, but shall not be limited to, increased labor or material costs, increased finance cost, additional overhead costs, and start-up costs. To the fullest extent permitted by law, it shall be the obligation of the Developer and not Purchaser, to indemnify and hold Seller harmless from and against all claims, costs, losses, damages, and expenses, including attorney's fees, arising from or involving such hazardous material.

16. DISPUTE RESOLUTION; MEDIATION AND ARBITRATION IF A DISPUTE, CONTROVERSY OR CLAIM (WHETHER BASED UPON CONTRACT, TORT, STATUTE, COMMON LAW OR OTHERWISE) (COLLECTIVELY A "DISPUTE") ARISES FROM OR RELATES DIRECTLY OR INDIRECTLY TO THIS AGREEMENT AND/OR THE CONSTRUCTION OF THE RESIDENCE CONSTITUTING A PORTION OF THE PROPERTYS, AND IF THE DISPUTE CANNOT BE SETTLED THROUGH DIRECT DISCUSSIONS, SELLER AND PURCHASER SHALL ENDEAVOR TO RESOLVE THE DISPUTE BY PARTICIPATING IN A MEDIATION ADMINISTERED BY THE AMERICAN ARBITRATION ASSOCIATION (THE "AAA") UNDER ITS COMMERCIAL MEDIATION RULES BEFORE RESORTING TO ARBITRATION. THE COSTS AND EXPENSES OF MEDIATION, OTHER THAN EACH PARTY'S LEGAL FEES, SHALL BE SHARED EQUALLY BY SELLER AND PURCHASER. THEREAFTER, ANY UNRESOLVED DISPUTE SHALL BE SETTLED BY BINDING ARBITRATION ADMINISTERED BY THE AAA IN ACCORDANCE WITH ITS COMMERCIAL ARBITRATION RULES AND JUDGMENT ON THE AWARD RENDERED BY THE ARBITRATOR SHALL BE FINAL AND BINDING, SHALL NOT BE APPEALABLE, SHALL, INCLUDE THE PREVAILING PARTY'S COSTS AND EXPENSES, INCLUDING REASONABLE ATTORNEY AND EXPERT FEES, AND MAY BE ENTERED IN ANY

COURT HAVING JURISDICTION. THE ARBITRATION PROCEEDING SHALL BE CONDUCTED IN GREENVILLE, SOUTH CAROLINA BEFORE A NEUTRAL ARBITRATOR WHO HAS SUBSTANTIAL EXPERIENCE IN THE SUBJECT MATTER OF THE DISPUTE.

17. Miscellaneous.

17.1 Seller's Reserved Easements; Construction Setbacks. Purchaser acknowledges that the developer of the Cliffs Community has reserved the right to grant and/or reserve, in its reasonable discretion, various easements for ingress and egress, maintenance and use on and over the Property and the remainder of the Community's development. No such easement will materially reduce the value or the usefulness of Purchaser's Property. Furthermore, Purchaser's Property is subject to front, rear and side Property line easements shown on the Plat and/or set forth in the Declaration, which also constitute construction setback limits.

17.2 Adjacent Development. Except as otherwise provided herein and notwithstanding any statements contained in this Agreement or otherwise to the contrary, Seller does not warrant in any manner whatsoever the development of any other properties which are owned by Seller in Greenville County, South Carolina or Henderson County, North Carolina, whether or not in the general vicinity of Purchaser's Property, and Seller reserves the right to develop such properties, if developed, in any manner whatsoever without interference from any subsequent grantee of the Purchaser's Property, notwithstanding any plans, renderings or drawings which may have been brought to the Purchaser's attention through public zoning hearings, documents filed for zoning purposes, public or private showings or proposed or preliminary development plans or references therein in any recorded covenants. There is no assurance that any facilities or amenities shown for planning or proposed development purposes will ever be constructed, except only those which Seller herein covenants to complete or which are disclosed to be completed in the HUD Property Report for the Property.

17.3 Inspection of Premises. Purchaser hereby acknowledges that Purchaser has inspected the lot component of Property prior to signing this Agreement, and hereby agree that, except as otherwise provided herein, Purchaser is purchasing and Seller is selling the Property in an "AS IS" condition.

17.4 Notices. Any and all notices or other communication provided for in this Agreement will be given in writing and delivered by personal delivery or by registered or certified mail, first class postage prepaid, or by facsimile transmission. Any notice mailed in accordance with this Section 17.4 will be deemed received upon actual receipt thereof or after the expiration of five (5) days, whichever is earlier. Notice sent by facsimile transmission will be deemed received on the date of its transmission, provided transmission occurs prior to 5:00 p.m., Eastern Time, and the sender retains proof of its transmittal and receipt without error. Notice will be addressed to the intended recipient at the address provided on the recipient's signature page of this Agreement.

17.5 Purchaser's Acknowledgment Concerning Representations. Purchaser understands that any sales associate or other person representing Seller in this transaction does not have the authority to make any statements in conflict with or in addition to the information contained in this Agreement, and any other documents received from Seller, including without limitation, any representation made regarding the resale of Purchaser's Property or its rental or investment potential, and that Seller, for itself and in behalf of any such agent, specifically disclaims any responsibility for such statements. Further, if any such statements were made, Purchaser acknowledges that by execution of this Agreement, Purchaser affirms that Purchaser has not relied upon any such statements, if any, and waives any rights that Purchaser might have as a result of such statements unless they are incorporated in this Agreement.

17.6 Documents Received By Purchaser. Purchaser further acknowledges having received and reviewed prior to the execution of this Agreement the following:

- (a) Copy of the Declaration, as supplemented and amended to the date hereof, together with appended By-Laws of the Association.
- (b) Agency Disclosure (Executed).
- (c) Copy of Plat.

(d) The checked documents or instruments listed on the Purchaser's signature page below.

17.7 **Time is of the essence.** It is expressly understood and agreed that **TIME IS OF THE ESSENCE** as to all obligations hereunder, including the Purchaser obligation to obtain a mortgage commitment and provide the Lender with all information requested if Purchaser is acquiring financing, even though such financing is not a contingency hereof.

17.8 **Entire Agreement.** Seller and Purchaser covenant and agree with each other that this written instrument, executed in duplicate originals, expresses the entire agreement between them and there is no other agreement, oral or otherwise, varying or modifying the terms of this Agreement.

17.9 **Modification of Agreement.** This Agreement may not be otherwise changed or modified, absent some subsequent written instrument executed by both Seller and Purchaser.

17.10 **Interpretation Presumption.** Seller and Purchaser represent and warrant to one another that each has, by counsel or otherwise, actively participated in the finalization of this Agreement, and in the event of a dispute concerning the interpretation of this Agreement, each hereby waives the doctrine that an ambiguity should be interpreted against the party which has drafted the document.

17.11 **Binding Effect; Assignment.** This Agreement is binding upon the parties' respective heirs, devisees, personal representatives, successors and assigns; provided however, this Agreement and any of Purchaser's rights hereunder may not be assigned by Purchaser.

17.12 **Unenforceable Provisions.** Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions will remain in full force and effect and will not in any manner be thereby affected or impaired.

17.13 **Survival.** This Agreement and all the terms and conditions hereof will survive the Closing of the transaction contemplated hereby and will thereafter continue to bind the parties to this Agreement.

17.14 **Counterpart Execution of Agreement.** This Agreement may be signed by each of the parties upon a separate copy, and in such case one counterpart of this Agreement will consist of enough of such copies to reflect the signature of each. For purposes of this Agreement, a telecopy of an executed counterpart will constitute an original. Any person delivering an executed counterpart of this Agreement by telecopy will also deliver an original, executed counterpart of this Agreement, but the failure to deliver an original, executed counterpart will not affect the validity of this Agreement. This Agreement may also be executed in two or more counterparts, each of which will be deemed an original; but for purposes of proving the Agreement, it will not be necessary to produce or account for more than one such counterpart.

17.15 **Effective Date.** This Agreement will become effective, and the term "Effective Date" herein will mean, the last date executed by a party to be bound hereby.

(BALANCE OF PAGE PURPOSELY BLANK)

Additional Documents Received By Purchaser Pursuant to Section 17.6, the Purchaser acknowledges having received and reviewed prior to the execution of this Agreement the following (if none, leave blank):

- ☒ Addendum
☒ Valley Villa Lease agreement
☒ Cliffs Membership addendum
☒ Villas Additional Information addendum
☒ Exhibit G

✓ Cliffs Golf Membership Finance Adden

PURCHASER'S INITIAL HERE TO EVIDENCE HAVING RECEIVED THE DOCUMENTS LISTED ABOVE

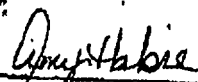
For Purchaser

IN WITNESS WHEREOF, Purchaser and the Seller have each caused this instrument to be executed on the day and year set forth below their respective names.

WITNESS:



Purchaser:


(Signature)

(Signature)

6 Month 29 Day 05 Year

Print or Type:

Name: Amy Habie

Name:

Address: 6450 Belvedere Road
West palm, Fl 33413

Telephone (Work):

Telephones (Home): (561) 688-7336

FAX Number: 561-615-4464

E-mail Address:

Name in Which to Title Property. Amy Habie

(Insert the name or name to which Purchaser wishes title to the Property to be deeded)

(BALANCE OF PAGE PURPOSELY BLANK)

Seller:

Carlton Construction, LLC

By: _____

Its: Managing Member

07 25 2005
Month Day Year

Print or Type:

Address: **PO Box 188**
Saphire, NC 28774

Telephone (Work):

FAX Number:

E-mail Address:

(BALANCE OF PAGE PURPOSELY BLANK)

THE UNDERSIGNED ESCROW AGENT EXECUTES THIS AGREEMENT SOLELY TO ACKNOWLEDGE RECEIPT OF THE PURCHASER'S ESCROW DEPOSIT IDENTIFIED ON PAGE 1 HEREOF, AND TO ACKNOWLEDGE THE UNDERSIGNED'S AGREEMENT TO HOLD AND DISBURSE THE SAID ESCROW DEPOSIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT.

WITNESS:

Escrow Agent:

Jeffry H. Gray, PC

By: _____

Its: _____

Month Day Year

Print or Type:

Address: _____

Telephone (Work): _____

FAX Number: _____

E-mail Address: _____

The Valley Villas at Cliffs Valley Additional Information Addendum

THIS ADDENDUM is executed by and between Carlton Construction, LLC (generally referred to as "Seller") and the below identified "Purchaser" (generally referred to as "Purchaser") of a Villa located in Cliffs Valley, which is being purchased from Seller, and shall constitute an addition to that certain Real Estate Sale and Purchase Agreement (the "Agreement") between Purchaser and Seller.

Purchaser: AMY HIRBIE Valley Villa: Lot, Section Brookdale
Agreement Date: _____

1. **Association Assessments.** Purchaser hereby acknowledges that the following assessments and working capital contributions are applicable at the Closing pursuant to Section 7.4 of the Agreement:

- | | | |
|-----|---|---------------------|
| (a) | <u>Valley Association Assessments</u>
(Prorated to Closing; excluding prorata Valley Villas Neighborhood Expenses) | \$ 650.00 per year |
| (b) | <u>Valley Association: Valley Villas Neighborhood Expenses</u> (Prorated to Closing) | \$ 285.00 per month |
| (c) | <u>Valley Association</u>
(Regular 2-Months' Working Capital at Closing) | \$ 108.34 |
| (d) | <u>Valley Association: Valley Villas Neighborhood</u> (Neighborhood 2-Months' Working Capital at Closing) | \$ 578.00 |

2. **Insulation.** Seller hereby gives Purchaser notice that the cottage will have batt insulations installed in all exterior walls to a minimum thickness of R-___; in all ceilings other than the top floor roof ceiling to a thickness of R-___; and in the top floor roof ceiling to a thickness of R-___. Seller does not warrant that the insulation will yield the R-values as represented by the manufacturer. In the event the R-values of this Section 4.6 are unavailable at the execution hereof and blanks appear herein, Seller will, when such insulation R-values become available to Seller, provide a written statement thereof to Purchaser.

Purchaser

Amy Hirbie

6 29 2005
Month Day Year



Club Membership Addendum

THIS ADDENDUM is executed by and between The Cliffs Golf & Country Club, Inc. in behalf of The Cliffs Club (the "Club"), the below identified "Seller" (the "Seller") and the below identified "Purchaser" (the "Purchaser") of the below identified property (the "Property") in the Cliffs community also identified below (the "Community"), and is an amendment of and addition to that certain contract (the "Agreement") between the Seller and Purchaser.

Purchaser: Amy Habie

Community: Cliffs Valley

Lot and Section: 9 /

Agreement Date: _____

Model Type: Brookdale

Property List Price \$ 709,640.00

Discount for Membership (\$ 35,000.00)

Discounted Purchase Price

\$ 674,640.00

- ☒ Family Membership Privileges, Initiation Deposit.
If checked, Purchaser will pay at Closing the amount of the discount given for Cliffs Family Membership privileges, \$35,000.00 deposit on the line to the right.

\$ 35,000.00

- ☒ Golf Membership, Initiation Deposit Add-on.
If checked, Purchaser wishes to upgrade immediately to a Cliffs Golf Membership by paying at the Closing the add-on deposit of \$40,000.00 on the line to the right.

\$ 40,000.00

Total Membership Deposit To Be Paid at Closing:

\$ 75,000.00

1. **Purchase Price Discounted for Membership.** The Club and Seller have, by special arrangements, agreed that if Purchaser wishes to acquire a membership, Seller will discount the price of the Property by \$35,000. Purchaser wishes to receive the discount and acquire a membership, electing a membership as below provided for either a Cliffs Golf Membership, or a Cliffs Family Membership, and agreeing to pay to the Club at the closing with Seller the required membership deposit. See the membership check boxes below and Paragraph 2 regarding membership privileges in the Clubs' facilities. In the event Purchaser fails to enter into this Club Membership Addendum, thereby declining to acquire a membership, no purchase price discount will be given in the sales transaction between Purchaser and Seller.

(a) **5-Year Vesting in Full Refundability.** The Club's Membership Plan provides that upon resignation from the Club, a resigned member is normally entitled to receive 100% of the initiation deposit paid to the Club. However, because Seller is agreeing to discount the price of the Property, then the \$35,000 discount that Purchaser will apply to the membership shall only be refunded to the Purchaser-member upon a resignation occurring more than five (5) years following the Property closing with Seller, or upon Purchaser closing a resale of the Property being purchased from Seller, if that happens to occur before full vesting. Because Purchaser must

JUN-29-2006 13:20

FROM-CLIFFS VALLEY SALES

+8848865269

T-636 P.006/010 F-118

resign the membership upon a resale closing of the Property, such resignation shall result in Purchaser-member receiving a refund of the entire initiation deposit. Purchaser will be paying at the Property Closing. Any initiation deposit paid by Purchaser in excess of the \$35,000 discount so applied to the Property, for instance if Purchaser elects to acquire a Cliffs Golf Membership and pay the additional amount due therefor, will be fully refunded as provided in the Club's Membership Plan and without regard to any vesting period.



Box #1. PURCHASER ELECTS TO ACQUIRE A CLIFFS GOLF MEMBERSHIP. THE DEPOSIT FOR A CLIFFS GOLF MEMBERSHIP IS \$75,000.00. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 2 below. Purchaser hereby understands that a Cliffs Golf Membership will not be issued and activated until the Club has received from the Purchaser the required deposit for the membership. \$35,000 of the deposit will be made at the Property closing as a result of Purchaser receiving a discount from Seller against the price of the Property in an equal amount. The remaining \$40,000 due for a Cliffs Golf Membership represents Purchaser's election to receive an upgrade to Golf Membership from Family Membership, which Purchaser must acquire to receive the discount off the Property's price. The Purchaser must deliver the total \$75,000 membership deposit and complete the Club's required forms for a Cliffs Golf Membership not later than the Purchaser's Property closing with Seller. If the Club does not receive such funding on or before the closing, the Purchaser will not receive the \$35,000 discount from Seller at the Property closing, and will pay as the Purchase Price for the Property the full Property List Price set forth above, and Purchaser will have no guarantee that a Cliffs Golf Membership will be available to Purchaser in the future. Pursuant to the membership Plan, the Purchaser may acquire a Golf Membership within 30 days of the property's Closing for the full amount of the deposit, but if Purchaser elects to do so, Purchaser will have forgone the Seller's discount at the Property's closing. Purchaser should remember that when Purchaser goes to sell the Property, the resale Purchaser is only guaranteed the ability to get a Cliffs Golf Membership if the Purchaser has one to resign back to the Club (and receive a refund of the initiation deposit) so the Club can immediately re-issue it to Purchaser's resale buyer at the re-sale closing (subject to Purchaser's resale buyer completing an application and paying the required membership deposit at the resale closing).


For Purchaser



Box #2. PURCHASER ELECTS TO RECEIVE A CLIFFS FAMILY MEMBERSHIP. THE DEPOSIT FOR A CLIFFS FAMILY MEMBERSHIP IS \$35,000. By checking this box and initialing below, Purchaser acknowledges that Purchaser has read Paragraph 2 below. Purchaser hereby understands that a Cliffs Family Membership will not be issued and activated until the Club has received from the Purchaser the required deposit for the membership. The \$35,000 deposit will be made at the Property closing as a result of Purchaser receiving a discount from Seller against the price of the Property in an equal amount. The Purchaser must deliver the total \$35,000 membership deposit and complete the Club's required forms for a Cliffs Family Membership not later than the Purchaser's Property closing with Seller. If the Club does not receive such funding on or before the closing, the Purchaser will not receive the \$35,000 discount from Seller at the Property closing, and will pay as the Purchase Price for the Property the full Property List Price set forth above, and Purchaser will have no guarantee that a Cliffs Family Membership will be available to Purchaser in the future. Purchaser further understands that a Cliffs Family Membership is subject to availability and that there is no guarantee that a Cliffs Family Membership will be available if Purchaser delays membership acquisition and later wishes to acquire a membership.


For Purchaser

2. **The Golf & Country Club.** Purchaser hereby acknowledges the plan of development for the Cliffs Community above identified includes, or may include, the operation of a commercial, private golf and country club facility within or in proximity to the boundaries of the Community. Purchaser further acknowledges that the Club's recreational facilities are owned by a related third party and operated by or in concert with its affiliate, The Cliffs Golf & Country Club, Inc., as a commercial business, and not as a non-profit enterprise, that Purchaser will have a license to use the facilities as herein described if Purchaser acquires a membership to do so, and that

neither Purchaser nor any property owners' association of which Purchaser may be a member has or will receive any ownership interest in the Club's facilities by virtue of Purchaser's acquisition of the Property or membership in any such property owners' association. The Club may, but will not be required to, add additional recreational facilities in the future. The Club operates and offers membership opportunities pursuant to a published Membership Plan, which the Club may supplement, amend, delete and change in its sole discretion at any time. If Purchaser wishes to become a member, Purchaser should take the time to read the Membership Plan prior to acquiring a membership.

(a) **Golf Membership.** The ability to acquire permanent golf privileges is reserved to those who elect to acquire a Cliffs Golf Membership. Acquisition of a Cliffs Golf Membership is subject to availability at the time Purchaser may wish to acquire one, but Purchaser is guaranteed the availability of a Cliffs Golf Membership if the Purchaser's application and the add-on membership deposit of \$40,000 are received within thirty (30) days following the Property Closing. If the Purchaser wants its resale buyer of the Property in a re-sale transaction to be guaranteed the ability to acquire a Cliffs Golf Membership, following the Purchaser's membership resignation and the Club's re-issuance of the resigned membership to its resale buyer at the resale closing pursuant to the requirements of the Club's Membership Plan, the Purchaser must acquire the Cliffs Golf Membership. Please note however, because Purchaser is receiving a discount off the list price of the Property, which must be applied toward the membership initiation deposit, Purchaser must acquire the Cliffs Golf Membership on or before the Property closing and may not wait the 30 days otherwise applicable. A total of \$75,000 (\$35,000 from the Property discount and \$40,000 to upgrade to Cliffs Golf Membership) is due on or before the Property Closing. A Golf Membership is subject to availability at all times as determined by the Club. If Purchaser has elected to receive a Cliffs Golf Membership by checking Box #1 on page 2, then upon Purchaser making application and funding the required deposit on or before the Closing, Purchaser will be issued a Cliffs Golf Membership in the Club. Purchaser's monthly membership dues will commence with the issuance of the membership, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(b) **Cliffs Family Membership.** If Purchaser has elected to receive a Cliffs Family Membership by checking Box #2 on page 2 of this Addendum, then upon making application and funding the required deposit at the Purchaser's Property closing with Seller, Purchaser will be issued a Cliffs Family Membership in the Club. Monthly membership dues will commence with the issuance of the membership to Purchaser, and the monthly dues may change from time to time at the Club's sole discretion. The privileges of membership in the Club are dependent upon the facilities available and the rules and regulations adopted for their use, as the Club may modify the same from time to time.

(c) **Club's Membership Plan.** The governing documents of the Club require that upon resale of the Property, all of Purchaser's membership privileges in the Club must be resigned. When Purchaser sells the Property, and so long as Purchaser is a Club member in good standing, Purchaser will be entitled to a refund equal to one hundred percent (100%) of the initiation deposit made for membership in the Club. In addition, if the resale buyer of Purchaser's Property wishes a membership, he or she will have to acquire a membership directly from the Club at the then prevailing rates for the membership desired, and subject to availability and the rules and regulations of the Club. The membership deposit that Purchaser's resale buyer makes for the issuance of a membership may be more or less than the deposit Purchaser made. As previously indicated, a Cliffs Golf Membership is not guaranteed to be available to Purchaser's resale buyer if Purchaser does not acquire one at Purchaser's property closing pursuant to subparagraph (a) above.

3. **Effective Date.** This Addendum shall become effective the last date executed by a party to be bound hereby, and is subject to all other terms and conditions of the Agreement.

Purchaser:

Group Mobile

6 29 05
Month Day Year

Seller:

Carlton Construction, LLC

By:

Managing Member

07 25 2005
Month Day Year

For The Cliffs Club:

The Cliffs Golf & Country Club, Inc.

By:

TREASURER

08 12 05
Month Day Year

06/29/2005 14:38
JUN-29-2005 13:21

5616403059
FROM-CLIFFS VALLEY SALES

NICAL OF PALM BEACH

PAGE 22/23

+8648385269

T-638 P.010/010 P-116

"Exhibit G"

House Model Brookdale

\$ 468,075.00

Elevation Type _____

\$ _____

Residence
Component

Lot Number

Lot 9, Section

List Price: \$ 230,000.00

\$ 468,075.00

Check one of the following:



If checked and initialed, Purchaser does not wish to acquire a membership in the Club at this time. Purchaser understands that membership is subject to availability at the time Purchaser may wish to acquire one, and is not guaranteed. Purchaser will NOT receive any discount off the listed Purchase Price because Purchaser elects not to receive a membership.

(Initial)



If checked and initialed, Purchaser wishes to acquire a membership in the Club, either a Cliffs Family Membership or a Cliffs Golf Membership, and wishes to receive a \$35,000 discount and apply it toward the required membership deposit, and has attached hereto a signed Club Membership Addendum. While Purchaser is guaranteed the availability of a golf membership under the Membership Plan only if Purchaser acquires one within 30 days following Purchaser's Closing, Purchaser will receive the discount only if the membership is acquired at the Closing. If this paragraph is checked and initialed, the "Base Purchase Price" below is net of the discount.

(Initial)

Lot Price Component (Discounted if Applicable)

Sub-total Lot and Base Price of House

\$ 195,000.00

\$ 663,075.00



Discount Applied to Membership Deposit. If checked, Purchaser is receiving a \$35,000 discount and applying it to Full Family Membership privileges at the Closing.

\$ 35,000.00



Golf Membership, Initiation Deposit Add-on. If checked, Purchaser is upgrading to a Golf Membership an additional sum of \$40,000 at Closing

\$ 40,000.00

Base Price Before Options
Options Available

\$ 738,075.00



Complete Security System

\$ 3,255.00

\$ 3,255.00



Screen Porch

\$ 3,000.00

\$ 3,000.00



Structure Wiring Option A

\$ 5,310.00

\$ 5,310.00



Structure Wiring Option B

\$ 11,590.00

\$ 0.00



Structure Wiring Option C

\$ 25,735.00

\$ 0.00



Viking Appliance Package

\$ Included

\$ 0.00



Bonus Room with Full Bath

\$ Included

\$ 0.00



N/A

\$ 0.00

\$ 0.00



N/A

\$ 0.00

\$ 0.00



N/A

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 0.00

\$ 749,640.00

Purchase Price of House/Lot Package, with Membership, if Applicable

Sales Associate

Date

Purchaser

Date

06/29/2005 14:38
JUN-28-2005 14:23

5616403059
FROM-CLIFFS VALLEY SALES

NICAL OF PALM BEACH
+8648385268

PAGE 23/23

T-640 P.002/002 F-121

Addendum A

To contract between Carlton Construction, LLC (seller) and Amy Habie (purchaser)

- Contract contingent upon an agreement to be made between purchaser, seller and Cliffs Real Estate Inc regarding furniture and lease terms and conditions satisfactory to purchaser. This agreement must be made by July 8, 2005 or either party can cancel this agreement (with all earnest monies returned to purchaser) or if both parties agree it can be extended.
- Regarding section 11.1 "purchaser will promptly inspect the work" shall be amended to say "purchaser or purchasers agent will promptly inspect the work".

Amy Habie Purchaser 6/28/05 Date
Carlton Construction, LLC Seller 7/25/05 Date

**CLIFFS GOLF MEMBERSHIP FINANCE ADDENDUM
ADDENDUM TO SALES AGREEMENT**

The sales agreement by and between Gmy Habie
Purchasers and the Cliffs at Glassy, Inc., seller, is hereby amended as follows:

- Both Seller and Purchaser acknowledge that it is the intent of the Purchaser to upgrade to a Full Golf Membership in the Cliffs Golf and Country Club at *The Cliffs Valley*. Purchaser has previously acquired a Cliffs Family membership. The additional required initiation deposit for the Full Golf Membership is Forty thousand dollars (\$40,000.00).
- Seller offers and Purchaser accepts the Club Membership financing program as detailed below:
 - 1) Purchaser agrees to pay an initial installment of twenty thousand dollars (\$20,000) twelve months following the closing of Lot 5 & 9, Phase _____ at *The Cliffs Valley*.
 - 2) The final installment of twenty thousand dollars (\$20,000) is due and payable twenty-four months following the closing.
 - 3) By subscribing to the payment schedule identified above, Purchaser will incur no financing or interest expenses.
- Closing of property is scheduled on or before September 15, 2005
- Club privileges begin at closing
- Monthly Club dues begin at closing
- Owner receives one week per quarter for personal use
- Purchaser may decide whether to furnish or unfurnish and will receive \$2,500 a month leaseback for 12 months

Gmy Habie
Purchaser

7/11/05
Date

Matthew Schick
Purchaser

7/12/05
Date

Matthew Schick
Seller

7/12/05
Date

A.
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT
SETTLEMENT STATEMENT

B. TYPE OF LOAN:

1. ☐ FHA 2. ☐ FmHA 3. ☐ CONV. UNINS. 4. ☐ VA 5. ☐ CONV. INS.
6. FILE NUMBER: 05-2869 7. LOAN NUMBER:
8. MORTGAGE INS CASE NUMBER:

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "POC" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME AND ADDRESS OF BUYER:

Amy Habie
7068 Montrico Dr.
Boca Raton, FL 33433

E. NAME AND ADDRESS OF SELLER:

Carlton Construction SC, LLC
122 Knolls Way
Glenville, NC 28736

F. NAME AND ADDRESS OF LENDER:

G. PROPERTY LOCATION:

Lot 9, Valley Villas
Travelers Rest, SC 29690
Greenville County, South Carolina

H. SETTLEMENT AGENT:

J. Darryl Holland

PLACE OF SETTLEMENT

722 East McBee Ave
Greenville, SC 29601

I. SETTLEMENT DATE:

September 23, 2005

J. SUMMARY OF BUYER'S TRANSACTION

100. GROSS AMOUNT DUE FROM BUYER:	
101. Contract Sales Price	674,640.00
102. Personal Property	
103. Settlement Charges to Buyer (Line 1400)	2,738.34
104.	
105.	
<i>Adjustments For Items Paid By Seller in advance</i>	
106. City/Town Taxes to	
107. County Taxes to	
108. Assessments to	
109. POA Dues 09/24/05 to 01/01/06	176.30
110. Cliffs Family Membership	35,000.00
111. Golf Upgrade-\$40,000 deferred	
112.	
120. GROSS AMOUNT DUE FROM BUYER	712,554.64
200. AMOUNTS PAID BY OR IN BEHALF OF BUYER:	
201. Deposit or earnest money	10,000.00
202. Principal Amount of New Loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209. Deferred Construction	195,906.21
<i>Adjustments For Items Unpaid By Seller</i>	
210. City/Town Taxes to	
211. County Taxes 01/01/05 to 09/24/05	581.56
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. TOTAL PAID BY/FOR BUYER	206,487.77
300. CASH AT SETTLEMENT FROM/TO BUYER:	
301. Gross Amount Due From Buyer (Line 120)	712,554.64
302. Less Amount Paid By/For Buyer (Line 220)	(206,487.77)
303. CASH (X FROM) (TO) BUYER	506,066.87

K. SUMMARY OF SELLER'S TRANSACTION

400. GROSS AMOUNT DUE TO SELLER:	
401. Contract Sales Price	674,640.00
402. Personal Property	
403.	
404.	
405.	
<i>Adjustments For Items Paid By Seller in advance</i>	
406. City/Town Taxes to	
407. County Taxes to	
408. Assessments to	
409. POA Dues 09/24/05 to 01/01/06	176.30
410. Cliffs Family Membership	35,000.00
411. Golf Upgrade-\$40,000 deferred	
412.	
420. GROSS AMOUNT DUE TO SELLER	709,816.30
500. REDUCTIONS IN AMOUNT DUE TO SELLER:	
501. Excess Deposit (See Instructions)	
502. Settlement Charges to Seller (Line 1400)	35,851.50
503. Existing loan(s) taken subject to	
504. Payoff of first Mortgage to Carolina First Bank	253,733.79
505. Payoff of second Mortgage to The Cliffs at Glassy.	200,000.00
506.	
507. (Deposit disb. as proceeds)	
508.	
509. Deferred Construction	195,906.21
<i>Adjustments For Items Unpaid By Seller</i>	
510. City/Town Taxes to	
511. County Taxes 01/01/05 to 09/24/05	581.56
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. TOTAL REDUCTION AMOUNT DUE SELLER	686,073.06
600. CASH AT SETTLEMENT TO/FROM SELLER:	
601. Gross Amount Due To Seller (Line 420)	709,816.30
602. Less Reductions Due Seller (Line 520)	(686,073.06)
603. CASH (X TO) (FROM) SELLER	23,743.24

By signing page 1 of this statement, the signatories acknowledge receipt of a completed copy of page 2 of this two page statement.

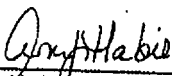
J. Darryl Holland
Settlement Agent

ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

Buyer: Amy Habie
Seller: Carlton Construction SC, LLC
Settlement Agent: J. Darryl Holland
(864)467-0500
Place of Settlement: 722 East Mcbee Ave
Greenville, SC 29601
Settlement Date: September 23, 2005
Property Location: Lot 9, Valley Villas
Travelers Rest, SC 29690
Greenville County, South Carolina

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Carlton Construction SC, LLC



Amy Habie

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

J. Darryl Holland
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

CLUB MEMBERSHIP
PROMISSORY NOTE

Amy Habie
EIN or SS No.

PROMISSORY NOTE

\$40,000.00

10/4/05
(Date)

FOR VALUE RECEIVED, Amy Habie, individual(s) ("Borrower") promise(s) to pay to the order of The Cliffs Communities, Inc. ("Lender") with an address at 301 Beaver Dam Road, Travelers Rest, S.C. 29690, Attention: James B. Anthony (or at such other place or places as the Lender may designate) the principal sum of Forty Thousand and No/100 (\$40,000.0) Dollars under the terms and conditions of this promissory note (the "Note").

1. Interest. Interest shall accrue on any outstanding balance under this Note at an annual rate of interest equal to 0.00%.

2. Payments.

(a) One year from the date hereof, Borrower will pay Lender the principal amount of Twenty Thousand and No/100 (\$20,000.00) Dollars, together with accrued and unpaid interest, if any is due hereunder.

(b) Two years from the date hereof, Borrower will pay Lender the remaining principal amount of Twenty Thousand and No/100 (\$20,000.00) Dollars, together with accrued and unpaid interest, if any is due hereunder.

3. Prepayment. This Note may be prepaid in whole or in part at any time without any premium or penalty.

4. Late Charges. In the event any payment is delinquent more than five (5) days, the Borrower will pay to the Lender a late charge of one and on-half percent (1½%) of the amount of the overdue payment. This provision for late charges shall not be deemed to extend the time for payment or be a "grace period" or "cure period" that gives the Borrower a right to cure a default condition. Imposition of late charges is not contingent upon the giving of any notice or lapse of any cure period provided for in the Pledge Agreement. Additionally, interest shall begin to accrue at the rate of eighteen percent (18%) per annum on the outstanding balance under this Note from the expiration of the five-day period until Lender receives payment.

5. Application of Payments. All sums received by the Lender for application to the loan may be applied by the Lender to late charges, expenses, costs, principal and other amounts owing to the Lender in connection with the Loan in the order selected by the Lender in its sole discretion.

6. Expenses. In the event this Note is not paid when due at any stated or accelerated maturity, the Borrower will pay, in addition to principal and interest, all costs of collection, including, without limitation, attorneys' fees.

7. Taxpayer Identification Number. This Note provides for the Borrower's federal taxpayer identification (or social security) number to be inserted on the first page of this Note. If such number is not available at the time of execution of this Note or is not inserted by Borrower, Borrower hereby authorizes and directs the Lender to fill in such number on the first page of this Note when the Borrower advises the Lender of such number.

8. Right of Offset. The Lender is granted a lien on and security interest in all property or assets (including Borrower's Cliffs Clubs Membership Deposits and other credits) of Borrower, at any time in the possession or control of (or owing to) the Lender under the Cliffs Clubs Membership Plan. The Lender shall have the right to exercise set-off by applying any such Deposits or credits toward the payment of amounts owed hereunder, without notice. The Lender shall be deemed to have exercised such right to set-off and to have made a charge against any such property or assets immediately upon the occurrence of such default even though the charge is made or entered on the books of the Lender subsequent thereto.

9. Waiver. Borrower waives demand, notice, presentment, protest, demand for payment, notice of dishonor, notice of protest and diligence of collection of this Note. Borrower consents to any and all extensions of time, renewals, waivers, or modifications that may be granted by the Lender with respect to the payment or other provisions of this Note. Borrower agrees that makers, endorsers, guarantors and sureties may be added or released without notice and without affecting Borrower's liability hereunder. The liability of Borrower shall be absolute and unconditional and without regard to the liability of any other party hereto.

10. Jurisdiction. Borrower hereby consents that any action or proceeding against it be commenced and maintained in any court within the State of South Carolina by service of process on any such owner, partner and/or officer; and Borrower agrees that the courts of such State shall have jurisdiction with respect to the subject matter hereof and the person of Borrower. Borrower agrees not to assert any defense to any action or proceeding initiated by the Lender based upon improper venue or inconvenient forum.

11. Governing Law. This Note was executed and delivered in the State of South Carolina and shall be governed by and construed in accordance with the laws of the State of South Carolina without reference to conflict of laws principles.

12. Waiver of Jury Trial. BORROWER AND THE LENDER AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY SUIT, ACTION OR PROCEEDING, WHETHER CLAIM OR COUNTERCLAIM, BROUGHT BY THE LENDER OR BORROWER, ON OR WITH RESPECT TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE DEALINGS OF THE PARTIES WITH RESPECT HERETO OR THERETO, SHALL BE TRIED ONLY BY A COURT AND NOT BY A JURY. THE LENDER AND THE BORROWER EACH HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND INTELLIGENTLY AND WITH THE ADVICE OF THEIR RESPECTIVE COUNSEL, WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE

LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING. FURTHER, BORROWER WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY SPECIAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. BORROWER ACKNOWLEDGES AND AGREES THAT THIS SECTION IS A SPECIFIC AND MATERIAL ASPECT OF THIS NOTE AND THAT THE LENDER WOULD NOT EXTEND CREDIT TO BORROWER IF THE WAIVERS SET FORTH IN THIS SECTION WERE NOT A PART OF THIS NOTE.

IN WITNESS WHEREOF, the Borrower has caused this Note to be duly executed as of the day and year first above written.

BORROWER:

Amy Habie

Amy Habie

EXHIBIT C

Unimproved Lot



Cliffs Communities Real Estate, Inc.
 Plumley Summit Road
 Landrum, SC 29356
 (864) 895-4261

RESALE CONTRACT

This offer to purchase is hereby presented this 1 day of September, 2005, by and between
Amy Habic
Beauch Smith (hereinafter "Purchaser") to
 (hereinafter "Seller")

AGREEMENT AND DESCRIPTION: Purchaser agrees to buy and Seller agrees to sell land located in the State of North Carolina, and being described as follows: County: H. Person

Lot #: 01 Section: Panther Mountain Overlook Community: The Cliffs Valley

Street Address: Peaceful Night Trail

The purchase price is Seven Hundred Fifty Thousand Dollars, (\$ 750,000)

- payable as follows:
- (1) \$ 10,000 Earnest money
 - (2) \$ _____ Additional deposit by _____
 - (3) \$ _____ Other: _____
 - (4) \$ _____ Balance Due at Closing (plus applicable closing costs)

CONVEYANCE AND CLOSING DATE: Seller agrees to convey Property by marketable title and deliver a proper general warranty deed with all stamps affixed thereto, free of encumbrances, except subject to all reservations, easements, rights-of-way, and restrictive covenants of record or on the premises (provided they do not make the title unmarketable) and to all government statutes, ordinances, rules and regulations. The closing of Property shall occur on or before Oct 14, 2005.

POSSESSION: Possession of Property will be given Purchaser on closing date.

LOAN APPLICATION: If Purchaser desires financing, Purchaser shall apply with the institution of his choice within ten (10) days hereof and will provide all documents or information requested by the lending company in a prompt and timely manner. At the time of application, the Purchaser will advance the necessary money to process any financing. Purchaser will take any reasonable action which is needed or required by the Lender to process the loan application. It will be presumed that Purchaser has obtained a satisfactory financing commitment unless Seller is notified to the contrary in writing not less than fifteen (15) days prior to closing. Failure to notify Seller timely will void any financing contingency.

CLOSING COSTS: All expenses necessary for the consummation of this sale, unless otherwise agreed herein, shall be paid as follows: (a) Seller shall pay for deed preparation, deed recording fees, costs associated with mortgage satisfaction; (b) Purchaser shall pay for title search, attorney fees, title insurance, document filing fees, and costs associated with the approval or closing any loan.

M
 PURCHASER'S INITIALS

 SELLER'S INITIALS

Unimproved Lot

EARNEST MONEY: If any contingency of the Contract cannot be satisfied through no fault of Purchaser, or if a binding Contract is not executed by all parties, the earnest money will be returned to Purchaser after the deposit of funds has cleared the account of the escrow agent holding the funds. All monies or certified funds shall be deposited into the Long, Parker, Warren & Jones Trust Account. The listing and selling brokers and their agents do not guarantee payment of check(s) accepted as earnest money. All parties understand that, under all circumstances, including default, the escrow agent holding the earnest money deposit will not disburse it to either party until both parties have executed a form authorizing the disbursement or until a court of competent jurisdiction has directed a disbursement.

ADJUSTMENTS: Taxes, water, sewer tap fees, any other utilities, rents as when collected, and other assessments, including homeowners association fees, shall be adjusted as of the date of closing. Tax prorrations pursuant to this Contract are to be based on the tax information available on the date of closing and are to be prorated on that basis.

DEFAULT: If the Purchaser defaults under the contract, the earnest money hereunder shall be paid to the Seller for damages, (subject to the Seller's obligation to the listing broker pursuant to the listing agreement) and the Seller shall have the option of (1) pursuing all legal and equitable remedies available or (2) of terminating this Contract with neither party having any further rights hereunder. If the Seller defaults under this Contract, the earnest money shall be returned to Purchaser, and Purchaser shall be reimbursed by the Seller for all actual costs incurred, including but not limited to loan application fees, credit reports, appraisals, surveys, and costs of title examination, and the Purchaser shall have the option (1) of pursuing all legal and equitable remedies available or (2) terminating this Contract with neither party having any further rights hereunder. In the event either party brings legal action to enforce the provisions of this Contract, the prevailing party shall be entitled to recover reasonable legal fees and costs from the losing party.

TITLE EXAMINATION AND INSURANCE: The listing and selling broker(s) and their agent(s) recommend that Purchaser select an attorney to examine the title to the Property and that Purchaser obtain appropriate title insurance coverage including that required by the lender, effective with the time of closing. Purchaser acknowledges that he has satisfied himself that Property is suitable for his intended use.

GOOD FUNDS AT CLOSING: If requested by the closing attorney or institution, the Purchaser may be required to have cashier's check or certified funds when completing this transaction.

DISCLAIMER BY BROKERS AND AGENTS: THE PARTIES ACKNOWLEDGE THAT THE LISTING AND SELLING BROKER(S) AND THEIR AGENT(S): (1) GIVE NO GUARANTY OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE PHYSICAL CONDITION OF THE PROPERTY OR AS TO THE CONDITIONS OF OR EXISTENCE OF IMPROVEMENTS, SERVICES OR SYSTEMS HERETO; (2) GIVE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE PROPERTY OR SUCH IMPROVEMENTS HERETO AND ANY IMPLIED WARRANTY IS HEREBY DISCLAIMED; (3) GIVE NO WARRANTY AS TO THE TITLE; AND, (4) GIVE NO GUARANTY OR WARRANTY CONCERNING (a) ANY CERTIFICATION OR INSPECTION CONCERNING THE CONDITION OF THE PROPERTY, AND (b) ANY MATTERS WHICH WOULD BE REFLECTED BY A CURRENT SURVEY OF THE PROPERTY.

TIME IS OF THE ESSENCE; ENTIRE CONTRACT: Time is of the essence of this Contract. The parties agree that this written Contract expresses the entire agreement between the parties, and there is no other agreement, oral or otherwise, modifying the terms hereunder and that the Contract shall be binding on both parties, their principals, heirs, personal representatives, successors and assigns, unless there is a written addendum hereto signed by all parties.

PURCHASER'S INITIALS

ER'S INITIALS

Unimproved Lot

FACSIMILE AS COUNTERPART: Purchaser and Seller agree that receipt of a signed contract by facsimile will be the same as receipt of an original signed contract.

SPECIAL STIPULATIONS: Purchaser is purchasing Sellers G: Membership
at closing for the fee of 75,000 - see addendum.

THIS IS A LEGALLY BINDING CONTRACT. PURCHASER AND SELLER SHOULD SEEK LEGAL ADVICE IF THE CONTENTS ARE NOT UNDERSTOOD. BOTH PURCHASER AND SELLER KNOWLEDGE THE RECEIPT OF A COPY OF THIS CONTRACT. SIGNATURES BELOW SIGNIFY ACCEPTANCE OF ALL TERMS AND CONDITIONS STATED HEREIN.

Amy Habie
 Purchaser _____ Purchaser _____ SSN _____

Amy Habie
 Print Purchaser's Name _____ Print Purchaser's Name _____

Purchaser's Address: 6450 Belvedere Road Purchaser's Phone #: _____
West Palm Beach, FL 33413 E-Mail address: _____

PURCHASER'S OFFER AS SET FORTH ABOVE SHALL EXPIRE _____ (Date) AT MIDNIGHT UNLESS ACCEPTED BY SELLER PRIOR THERETO OR WITHDRAWN BY PURCHASER PRIOR TO SELLER'S ACCEPTANCE.

Reaven Smith
 Seller _____ Seller _____ SSN _____
 Print Seller's Name _____ Print Seller's Name _____

Seller's Address: 1644 Duke of Windsor Seller's Phone #: _____

Virginia Beach VA 23454 Date Accepted by Sell: 9/1/05

Cliffs Communities Real Estate, Inc.
 Listing Office _____ Joel Robinson _____ Phone # _____
 Listing Agent

Cliffs Real Estate, Inc.
 Selling Office _____ Brad Chills _____ Phone # _____
 Selling Agent

EXHIBIT D

Statement

Cliffs Club & Hospitality Service Company, LLC
DEBTOR IN POSSESSION
PO Box 1279
Travelers Rest, SC 29690

Check # _____

Ms. Amy Habie
7068 Montrico Drive
Boca Raton, FL 33433

H00409	Apr 30/12
MEMBER	DATE

Golf AMOUNT TO PAY \$ 1,214.99

DATE	REF.NO	DESCRIPTION	AMOUNT	SVC/GRAT	TAX	TOTAL
Apr 13/12		Balance Forward				1,214.99
		Payment Received - Thank You				-1,214.99
Apr 30/12		Amy Habie				
		Dues - Valley - Golf	823.80	0.00	41.19	864.99
Apr 30/12		Valley Multiple Membership	158.73	0.00	7.94	166.67
Apr 30/12		Valley Multiple Membership	158.73	0.00	7.94	166.67
Apr 30/12		VA - Service Charge - NRes	15.72	0.00	0.94	16.66
		Total For Amy Habie	1,156.98	0.00	58.01	1,214.99
Pay by bank draft at no charge, by credit card (2% convenience fee) or pay by check to Cliffs Club & Hospitality Service Company, PO Box 1279 Travelers Rest, SC 29690. To gain access to the online billing site go to: https://www.secureclubpay.com/cliffscommunities/obp/signin.php Please call Tammy at 864-371-1075 with any questions. Thank you.						
<i>pd online Att Amy 5/9/12</i>						
Minimum Billing Period Jan 1/12 - Dec 31/12			1,156.98	0.00	58.01	1,214.99
600.00	0.00	600.00	Dec 31/12			
MINIMUM REQUIRED	MINIMUM SPENT	MINIMUM REMAINING	SPEND BY DATE			
0.00	1,214.99	0.00	0.00	0.00	0.00	1,214.99
CREDIT BOOK	CURRENT BAL.	30 DAYS BAL.	60 DAYS BAL.	90 DAYS BAL.	AMOUNT DUE	

(Pymts to the club are not deductible as charitable contributions for income tax purposes)

The Cliffs Club & Hosp. Service Co

Please call (864) 371-1075, email ar@cliffscommunities.com, fax (864) 371-1530
with billing questions. A late fee of 1.5% will be applied on balances over 30

From: (561) 886-6000
 Amy Habie
 Boies, Schiller & Flexner LLP
 2200 Corporate Blvd., NW
 Suite 400
 Boca Raton, FL 33431

Origin ID: PHKA



Ship Date: 30MAY12
 ActWgt: 0.1 LB
 CAD: 4220736/INET3250

Delivery Address Bar Code



Ref # 9998.0001
 Invoice #
 PO #
 Dept #

RECEIVED

MAY 31 2012

BMC GROUP

SHIP TO: (952) 404-5700

BILL SENDER

Attn: Cliffs Claim Processing
 BMC Group Inc.
 18675 LAKE DR E

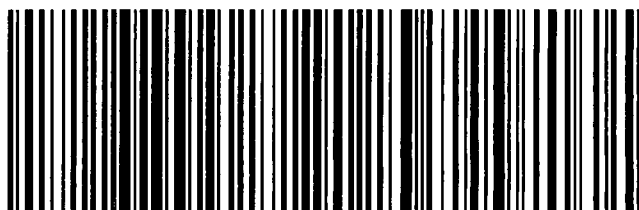
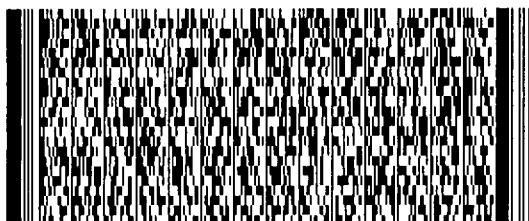
CHANHASSEN, MN 55317

THU - 31 MAY A1
 PRIORITY OVERNIGHT

TRK# 7936 1984 3359
 0201

XH FBLA

55317
 MN-US
 MSP



512C3/S1A4/A278

After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$500, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.