

STATE OF SOUTH CAROLINA )  
 ) CLOSING AGREEMENT  
COUNTY OF CHARLESTON )

WHEREAS, The Toler's Cove Homeowners Association, Inc. ("Seller") has this date conveyed certain property (the "Premises") to Horlbeck Creek Land Corporation ("Purchaser"); and

WHEREAS, Purchaser and Seller agree that certain additional property will be conveyed as follows: (i) that Seller convey to Purchaser a rectangular piece of land on Parcel 8 sufficient to cure the existing encroachment problem, as shown on a plat by A. R. C. Surveying Company, Inc. dated October 20, 1994 entitled "Horizontal As-Built Survey of Toler's Cove Horizontal Property Regime" (the "Survey") and (ii) that Seller convey to Purchaser, for no additional cost, a small portion of a 0.242 "Future Development" acre tract as shown on the Survey, which is adjacent to Tract B on the Survey, if required by Purchaser to increase the density of Tract B or to provide acceptable access to Tract B; and

WHEREAS, said transfers have not been effected at the time of closing, but the parties desire that said obligations of Seller to convey the property shall continue post closing;

WHEREAS, the parties desire to reference these obligations in the within Closing Agreement; and

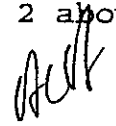
WHEREAS, the parties desire to set forth additional agreements relating to the Premises and desire to set forth those agreements in the within Closing Agreement;

NOW, THEREFORE, the parties agree as follows:

1. Seller agrees to transfer, free and clear of liens and encumbrances other than liens and encumbrances which are acceptable to Purchaser, to Purchaser, upon fifteen (15) days written notice, at no additional cost to Purchaser, a rectangular piece of land on Parcel 8 as in the Second "WHEREAS" Clause above.

2. Seller agrees to convey, free and clear of liens and encumbrances other than liens and encumbrances which are acceptable to Purchaser, to Purchaser, upon fifteen (15) days written notice, for no additional cost, a small portion of property within the boundaries of the 0.242 "Future Development" acre tract as shown on the Survey in accordance with the terms of the Second "WHEREAS" Clause above.

3. Purchaser shall be responsible for obtaining the surveys and appropriate subdivision approvals, at Purchaser's expense, to effectuate the conveyances described in paragraphs 1 and 2 above.



4. Subject to circumstances beyond Purchaser's control, including, but not limited to, the general economy, the local economy for real estate sales, and catastrophic events, natural or otherwise, Purchaser will use its best efforts to complete the contemplated construction of condominium and townhouse units within a period of two years from the date hereof. Purchaser agrees that any purchaser from Purchaser of all or substantially all of the Premises shall agree to the provisions of this paragraph.
5. Purchaser agrees to repair any damage beyond normal wear and tear on the existing roads in the Toler's Cove project caused by Purchaser's construction efforts. Purchaser agrees that any purchaser from Purchaser of all or substantially all of the Premises shall agree to the provisions of this paragraph.
6. With respect to the condominiums to be constructed by Seller, such condominiums will be constructed such that the exterior will be substantially similar to the existing condominium units at Toler's Cove (except that there will be lattice work and garage doors at the foundation level and, in any event, will be subject to the approval of the Board of Directors of Seller in accordance with existing covenants and restrictions. The Purchaser agrees that any purchaser from Purchaser of all or substantially all of the Premises shall agree to the provisions of this paragraph.
7. Purchaser agrees that on sales of unimproved townhouse lots the Purchaser will contractually obligate the purchaser of such lots to begin construction within one hundred twenty (120) days of the purchase of the lot. The Purchaser agrees that any purchaser from Purchaser of all or substantially all of the Premises shall agree to the provisions of this paragraph.
8. Purchaser agrees that in the event any bulkhead is required at the boundary of townhouse lots, Purchaser shall install such bulkhead at its sole cost and expense. The Purchaser agrees that any purchaser from Purchaser of all or substantially all of the Premises shall agree to the provisions of this paragraph.
9. Seller agrees that Purchaser, its successors and assigns, shall have the right to use a portion of the clubhouse as a sales center, subject to the consent of Seller, and/or to place a sales trailer at a convenient location at the Toler's Cove project.
10. Seller agrees that Purchaser, its successors and assigns, shall have the right to construct townhouse units with the following minimum specifications: minimum one thousand (1,000) square feet of heated space; minimum townhouse lots sizes of thirty (30') foot width on the outside of any parcel and thirty-five (35') foot width on the interior parcels, with a ten (10') foot space between all townhouse units; such townhouses to be approximately

twenty-five (25') feet by forty (40') feet of two stories, with a pitched roof, of wood frame construction with stucco foundations, with porches on the water side for both floors, with access from the street side, and with garage doors and lattice surrounding the foundation.

11. Seller agrees that Purchaser, its successors and assigns, shall have the right to use all existing plans and specifications for condominiums previously constructed at Toler's Cove.

12. Seller and Purchaser agree that the total density on the Premises shall be between 25 and 30 townhouse units on fee simple single family lots and 25 to 35 condominium units. Purchaser further agrees that the design and construction materials used in the construction of condominiums and townhouses on the Premises shall be subject to the prior approval of the Board of Directors of the Seller in accordance with existing covenants and restrictions. Seller and Purchaser agree to execute such further documents as may be necessary or desirable to effectuate the agreement set forth in this paragraph.

13. Purchaser and Seller agree that, with respect to the condominium units to be added to and become a part of the Regime, that until such condominium unit is added to the Regime, the fees charged by Seller for use of the private road system shall be limited to a prorata share of the direct cost incurred by the Seller/Association with respect to the condominium unit, and that, as to the townhouses to be constructed on the Premises, the fees for using the private road system and recreational amenities shall be limited to \$250.00 per month per lot through December 31, 1997, and thereafter the monthly fee per unit shall be increased or decreased based on the increase or decrease in per unit assessments for the Association unit owners as a whole, but net of condominium building maintenance charges, condominium building security charges and insurance on condominium buildings. Notwithstanding the foregoing, the Seller agrees that it will mow the townhouses lots as and when the remainder of the common area of the Association is mowed. Purchaser agrees that any purchaser from Purchaser of all or substantially all of the Premises shall agree to the provisions of this paragraph.

14. Except as modified herein, all representations, warranties, covenants and agreements of Seller and Purchaser contained in the Contract of Sale shall, where specified, survive the closing of even date herewith.

In Witness Whereof, the undersigned have caused these presents to be executed and delivered this 10<sup>th</sup> day of February, 1995.

Signed, Sealed and Delivered  
in the Presence of:

The Toler's Cove Homeowners  
Association, Inc.

Elizabeth W. Smith

By: Hal Frincke

Hal Frincke

Robert A. King

Its: President

By: Bob Nissly

Bob Nissly

Its: Secretary

Horlbeck Creek Land Corporation

Elizabeth W. Smith

By: Henry L. Holliday, III

Its: President

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