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MEMORANDUM OF AGREEMENT

SPARTANBURG, S.C.

THIS AGREEMENT, entered into this 5th day of August, 1980, by and between WESTMINSTER COMPANY, INC., a South Carolina corporation (hereinafter called "Purchaser") and T. W. Cecil of Spartanburg, S. C. (hereinafter called "Sellers");

W I T N E S S E T H :

WHEREAS, Sellers have begun the development of a "Section 8" project located in Spartanburg County, South Carolina, known as Kensington Manor (hereinafter referred to as "the project"), and desire to transfer all of their right, title, conditional commitment and interest in the project to Purchaser;

WHEREAS, Purchaser desires to purchase the same on the terms and conditions set forth below:

NOW, THEREFORE, in consideration of the mutual promises and undertakings of the parties, and other good and valuable consideration, Purchaser and Sellers hereby agree as follows:

1. Items Being Transferred.

Sellers agree to sell and transfer and Purchaser agrees to purchase, subject to terms and conditions set forth below, the following items relating to the project:

- (1) The Conditional Commitment of the U. S. Department of Housing and Urban Development ("HUD") to insure the mortgage for the project, No. 054-35443-PM-L8, a federally subsidized housing project pursuant to

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Section 8 (and Section 221(d) (4)) of the National Housing Act.

(2) The HUD approval of the proposal for the Section 8 project, and the housing assistance payment rent subsidy on this project will be assigned.

(3) Deeds conveying marketable fee simple title, free of encumbrances, to the 20.22 acres, more or less, of land located on Kensington Drive, Spartanburg County South Carolina, on which the project is to be located, said tract shown as parcel #2 on a plat prepared for Doris T. Odom, et al by Neil R. Phillips, RLS, dated May 19, 1972.

(4) Soil boring and testing reports.

(5) Any and all other rights of Sellers in and to the project.

Purchaser will, upon delivery of the items set forth in section 1 above, and subject to the conditions hereinafter set forth, pay to Sellers at the time of closing (as hereinafter defined) the following amounts (which are reimbursements of these amounts previously paid by Sellers):

A. HUD examination fee, provided, however, that the Purchaser is not required by HUD to pay an additional examination fee for this project.

B. Soil borings, testing, and topography reports.

C. Other HUD defined cost certifiable items, excluding architectural costs to date, when itemized and presented to the buyer. In the event that the Purchaser finishes the project under the new mortgage amount and has sufficient funds available, the purchaser agrees to pay the architectural

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fees of the seller which are cost certifiable, and will make every reasonable effort to apply for and obtain cost certification.

2. The obligation of the purchaser to make the payments is conditioned by the following; the parties mutually agreeing to make every effort to assist each other in satisfying the below conditions set forth herein:

- (1) Delivery of fee simple title, free of encumbrances to the approximately 20 acres of land for a price to be determined by the HUD appraisal. If HUD increases the appraisal over \$285,000, the Westminster Company will split the excess 50-50 with the Sellers.
- (2) HUD approval of Westminster Company and T. W. Cecil as co-sponsors.
- (3) HUD approval of Weyerhaeuser Mortgage Company as the mortgagee for the project.
- (4) Assignment from the sellers' mortgagee of all of its interest in the mortgage and project.
- (5) Issuance of GNMA commitment to purchaser or other satisfactory financing capabilities.
- (6) HUD awarding a satisfactory firm commitment to the buyer for the project.
- (7) Obtaining of all necessary building permits from local governmental authorities and approval from the governing planning commission. Purchaser shall draw all plans and specifications in conformity with present zoning requirements and building codes.

Deposit in Escrow

3. Upon the execution of this agreement the purchaser will deposit \$10,000 in escrow with Don Wildman, Attorney, in Spartanburg, S. C. in an insured savings account of a savings and loan of the escrow agent's choosing, which shall be promptly refunded to purchaser in the event the conditions set forth in section 2 cannot be met by time of closing. This deposit shall be forfeited to the seller in the event such conditions are met as stated in section 2, and the purchaser fails to proceed with the project. Any interest accruing to the account shall be paid to the party receiving the funds.

Payments

4. Purchaser will upon delivery of items in section 1 and satisfaction of conditions in section 2 by the sellers pay the following amounts at the times stated:
- a. \$50,000 at the time of closing.
 - b. Release at the time of closing the \$10,000 escrow deposit.
 - c. The balance shall be paid at the time of the consummation by purchaser of the syndication of the project which shall not exceed six (6) months from the date of the firm commitment issuance by HUD. The balance is to be defined as the difference between \$60,000 (as stated in items a & b) and 3% of the new mortgage obtained from HUD.
 - d. The HUD appraised value of the land at time of closing.

Closing

5. The time of closing will be the time of the HUD "Pre-construction Conference" for the project but in any event no later than fourteen (14) days after obtaining reasonable financing and a firm commitment from HUD.

Authority

6. The purchaser will be the managing general partner for the project and will have sole authority with respect thereto.

T. W. Cecil agrees to remain as co-sponsor for this project until HUD's "Final Endorsement" of the mortgage on the project.

7. All parties agree to make every reasonable effort to obtain the highest allowable land appraisal and the maximum loan amount from HUD.

8. This agreement shall be binding upon and inure to the benefit of the parties' respective heirs, successors, assigns, administrators and personal representatives.

In Witness whereof, the parties hereto have executed this

Memorandum of Agreement, dated August 5, 1980.

WESTMINSTER COMPANY, INC. (PURCHASER)

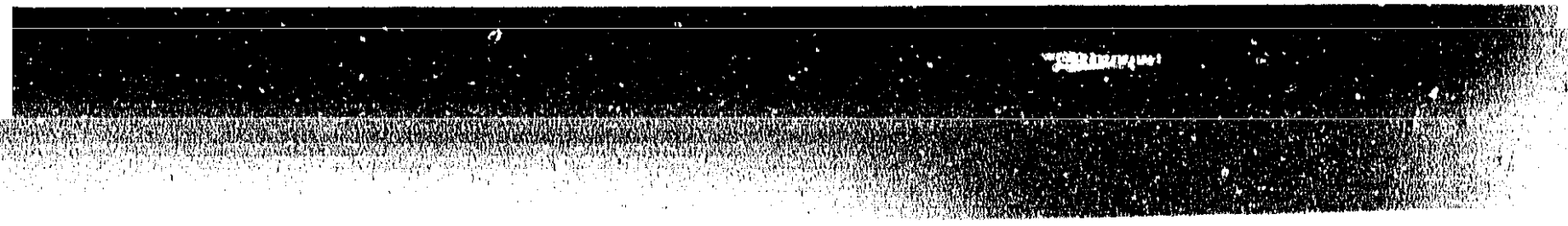
WITNESS: Donald B. Wilson
As to Westminster Company, Inc.

By Howard W. Covington, Jr.
Howard W. Covington, Jr., V. President

WITNESS: Mary B. Clark
As to Westminster Company, Inc.

T. W. Cecil
T. W. Cecil (Seller)

Constance W. Cecil
Constance W. Cecil (Wife of Seller)



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WITNESS: *Lucy D. Subjean*
As to Seller, T. W. Cecil

WITNESS: *R. C. Arrenew III*
As to Seller, T. W. Cecil

WITNESS: *Edward M. Browne*
As to Seller's Wife, Constance
W. Cecil

WITNESS: *R. C. Arrenew III*
As to Seller's Wife, Constance
W. Cecil

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG) PROBATE

PERSONALLY appeared the undersigned who on oath says that (s)he saw the within named Westminster Company, Inc., Purchaser, by Howard W. Covington, Jr., its Vice President, sign, seal and as its act and deed deliver the within Memorandum of Agreement and that (s)he with the other witness above subscribed witnessed the execution thereof.

Mary B. Ogden

SWORN to before me this
12 day of August, 1980.

Donald B. Lee (SEAL)
Notary Public for South Carolina
My commission expires: 7-2-82

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG) PROBATE

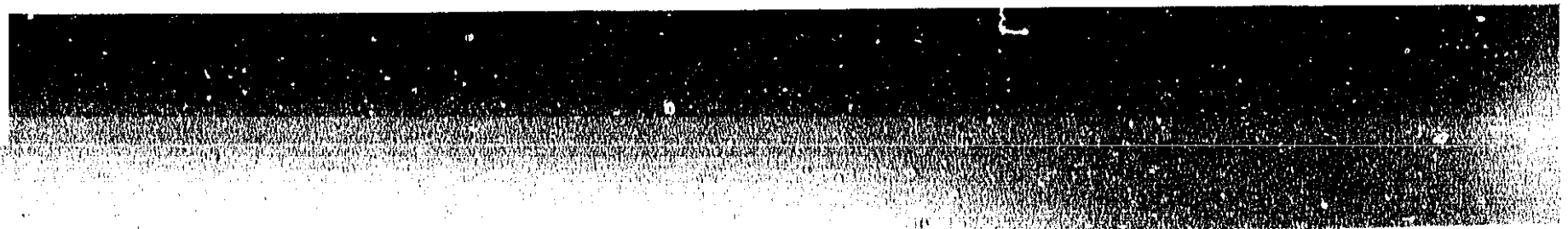
PERSONALLY appeared the undersigned who on oath says that (s)he saw the within named T. W. Cecil, Seller, sign, seal and as his act and deed deliver the within Memorandum of Agreement, and that (s)he with the other witness above subscribed witnessed the execution thereof.

Lucy D. Subjean

SWORN to before me this
9 day of August, 1980.

R. C. Arrenew III (SEAL)
Notary Public for South Carolina
My commission expires: _____

Notary Public for South Carolina
Commission Expires April 11, 1984



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STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)

PROBATE

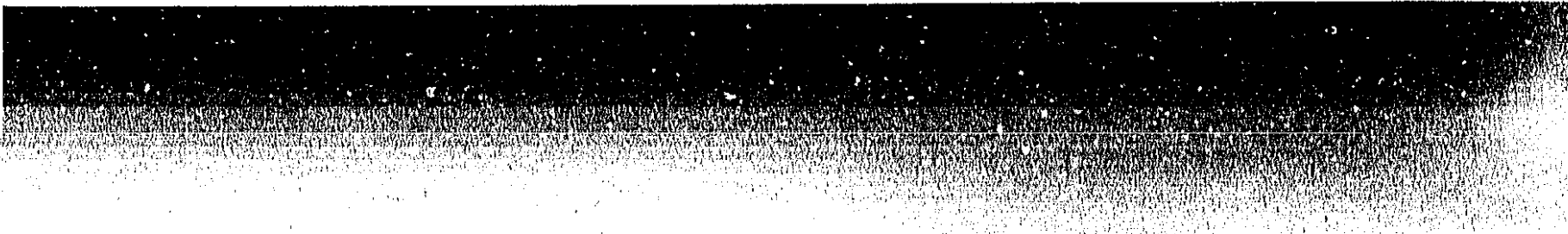
PERSONALLY appeared the undersigned who on oath says that (s)he saw the within named Constance W. Cecil, Wife of the Seller, T. W. Cecil, sign, seal and as her act and deed deliver the within Memorandum of Agreement and that (s)he with the other witness above subscribed witnessed the execution thereof.

Edward M. Browne

SWORN to before me this
5 day of August, 1980.

R. E. Browne III (SEAL)
Notary Public for South Carolina
My commission expires: _____

R. E. Browne III
Notary Public for South Carolina
Commission # 77 P Expires April 11, 1989



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FIRST ADDENDUM DATED AUGUST 6, 1980 TO MEMORANDUM OF AGREEMENT DATED AUGUST 5, 1980 BY AND BETWEEN WESTMINSTER COMPANY, INC. AND T. W. CECIL

The undersigned do hereby agree to the following as the First Addendum to the Memorandum of Agreement dated August 5, 1980:

1. Sellers, in conveying the real property to Purchaser, will reserve a non-exclusive right-of-way and easement for the installation of a sewer line extending from remaining property of Seller, adjoining property to be conveyed to Purchaser, to a point on the existing sewer line belonging to the City of Spartanburg and extending across property being acquired by Purchaser. Said sewer line and easement shall be twenty-five (25) feet in width, and shall be located roughly as follows:

Said easement is shown on a plat entitled "Kensington Manor, Property and Topographic Survey, Heaner Engr. Co., Inc." by Neil R. Phillips, dated August 6, 1980, as beginning at a point on the westerly boundary line of the 20.42-acre tract of land and extending in an easterly direction to a point in the 8" sanitary sewer line of the City of Spartanburg at the manhole located at Elevation 784.96.

Witnesses:

Donald B. Wilson
Mary B. O'Quinn
As to Westminster Company, Inc.

WESTMINSTER COMPANY, INC. (PURCHASER)

By: Howard W. Covington, Jr.
Howard W. Covington, Jr.
Vice President

T. W. Cecil
As to T. W. Cecil

T. W. Cecil (SELLER)

