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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM BEAUFORT COUNTY
Court of Common Pleas
The Honorable Marvin H. Dukes, Master In Equity and Special Circuit Court Judge
Trial Court Case No. 2022CP07-02454

Appellate Case No. 2023-000411

Blue Bell Holdings, LLC ..... Appellant,

v.

Gary C. Johnson, Stephen D. Halpern, Holly A. Angel, Holly Ann, LLC, Belmont Properties, LLC, Johnson Halpern Partnership, Shoreline Funding, LLC and Orange Capital, LLC (Nevis), Defendants,

Of which Gary C. Johnson, Stephen D. Halpern, Holly A. Angel, Holly Ann, LLC, Belmont Properties, LLC, Shoreline Funding, LLC and Orange Capital, LLC (Nevis)..... Respondents.

RECORD ON APPEAL

Vol. 1

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CERTIFICATE OF COUNSEL

The undersigned, J. Ashley Twombley, hereby certifies that the Record on Appeal contains all material proposed to be included by any of the parties and not any other material.

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Beaufort, South Carolina

March 25, 2024

ELECTRONICALLY FILED - 2022 Dec 22 11:11 AM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2022-CP-07-2454
Blue Bell Holdings, LLC,	)	
	)	
Plaintiff,	)	
vs.	)	
	)	**ORDER GRANTING TEMPORARY RESTRAINING ORDER**
Gary C. Johnson; Stephen D. Halpern; Holly A. Angel; Holly Ann, LLC; Belmont Properties, LLC; the Johnson Halpern Partnership; Shoreline Funding, LLC; and Orange Capital, LLC (Nevis),	)	
	)	
Defendants.	)	

This matter came before the Court on December 22, 2022 pursuant to Plaintiff's Motion for an *Ex Parte* Temporary Restraining Order (TRO) pursuant to Rule 65 of the South Carolina Rules of Civil Procedure against Defendant Gary C. Johnson ("Johnson"). After reviewing Plaintiff's Motion and the supporting evidence, and hearing argument in support of the Motion, the Court agrees that an order should be entered without notice temporarily restraining Johnson as set forth below until a hearing can be scheduled with notice on Plaintiff's request for an injunction.

Based upon the evidence presented to the Court, including the Verified Complaint and its attached Exhibits, the Court finds that Plaintiff has sufficiently established a *prima facia* showing that Johnson has engaged in a series of fraudulent conveyances prohibited under South Carolina law. Specifically, Plaintiff has made a *prima facia* showing that after learning of a lawsuit against him, Johnson began to transfer and or encumber his assets, or the assets of LLCs in which he has an ownership interest, to make it practically impossible for Plaintiff to use in the future to satisfy a judgment. The brazen nature of these actions sufficiently establishes that if Johnson were given

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notice of Plaintiff's attempt to obtain the within temporarily relief, Johnson might engage in additional behavior in between the time of learning of Plaintiff's effort and the time a noticed hearing could take place. The Court agrees that if Plaintiff is correct, this would clearly cause irreparable injury, loss, or damage to Plaintiff.

Based upon evidence presented by Plaintiff, Johnson has transferred all 100% of his real estate holdings to other entities and given millions of dollars of mortgages to a Nevis corporation. After the mortgages were recorded, they were returned to "Gary Johnson" and not to a Nevis address. Based upon the deposition testimony of Holly Angel, Johnson's live-in girlfriend, Johnson has also improperly submitted documents to the South Carolina Secretary of State and the Beaufort County Register of Deeds Office for which he did not have the authority to do so. According to Plaintiff's counsel, these facts show a desperate Defendant who sees the judgment writing on the wall, and who is now on a mission to manipulate the system to prevent Plaintiff from a recovery. While this Court is not making any decision on the merits, Plaintiff has made the *prima facia* showing required to justify the temporarily relief requested.

The Court further concludes that that Plaintiff has made a sufficient showing that immediate and irreparable injury, loss or damage will result to Plaintiff before notice can be served and a hearing had. Specifically, Plaintiff has made the required showing that Johnson may likely engage in similar conduct upon learning of Plaintiff's efforts which would cause irreparable harm to Plaintiff. Specifically, it is alleged that Johnson is using foreign LLCs and any such future behavior will potentially make seeking actions to set aside the transfers cost prohibitive. This could likely cause permanent loss and damages to Plaintiff. Finally, Plaintiff has presented evidence sufficient to make a *prima facie* showing that it will likely succeed on the merits of this case at trial on one or more of its claims. *Transcom Gas Pipeline Corp. v. Porter*, 167 S.E.2d 313,

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315(1969) ("It is well settled that, in determining whether a temporary injunction should issue, the merits of the case are not to be considered, except in so far as they may enable the court to determine whether a prima facie showing has been made.").

Therefore, based on the foregoing, Plaintiff's Motion for *Ex Parte* Temporary Restraining Order is granted as follows:

1. Defendant Gary Johnson is temporarily restrained from hiding, concealing, misappropriating, selling, encumbering, transferring, gifting, impairing the value of, or otherwise disposing of any of his assets until further order of this Court or until the expiration of this order as outlined below;
2. A hearing on converting this TRO into an injunction shall be held on **December 29, 2022 at 2:00 pm EST** at the Beaufort County Courthouse, Office of the Equity Court;
3. This order shall remain in effect until said time, or, Plaintiff may seek to have the effectiveness of this order extended, and any Defendant make seek to have it shortened, by emailing the Court at *hmcleod@bcgov.net* with a copy to all counsel of record;
4. On two days' notice to the party who obtained the temporary restraining order without notice or on such shorter notice to that party as the court may prescribe, the adverse party may appear and move for its dissolution or modification and in that event the Court shall proceed to hear and determine such motion as expeditiously as the ends of justice require.
5. Plaintiff shall post a security bond in the amount of $5,000.00 (Five Thousand Dollars).

IT IS SO ORDERED.

Date: December __, 2022 ___:___ pm

_____

Beaufort, South Carolina

_____202_

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Beaufort Common Pleas

Case Caption: Blue Bell Holdings Llc VS Gary C Johnson , defendant, et al

Case Number: 2022CP0702454

Type: Order/Temporary Restraining Order

So Ordered:

s/Marvin H. Dukes III #3069

ELECTRONICALLY FILED - 2022 Dec 29 2:36 PM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE FOURTEENTH JUDICIAL CIRCUIT
COUNTY OF BEAUFORT	)	CASE NO: 2022-CP-07-02454
	)	
BLUE BELL HOLDINGS, LLC,	)	
	)	
Plaintiff,	)	**CONSENT ORDER**
	)	
v.	)	
	)	
GARY C. JOHNSON, STEPHEN D. HALPERN, HOLLY A. ANGEL, HOLLY ANN, LLC, BELMONT PROPERTIES, LLC, THE JOHNSON HALPERN PARTNERSHIP, SHORELINE FUNDING, LLC, AND ORANGE CAPITAL, LLC (NEVIS)	)	
	)	
Defendants.	)	
	)	

On December 22, 2022, an *Ex Parte* Temporary Restraining Order was entered by the Court which restrains Defendant Gary C. Johnson from "hiding, concealing, misappropriating, selling, encumbering, transferring, gifting, impairing the value of, or otherwise disposing of any of his assets" until a hearing on whether the TRO will be converted into an injunction is held. With the Consent of counsel for the Plaintiff, J. Ashley Twombley, Esquire, and counsel for Defendant Gary C. Johnson, Elizabeth Palmer, Esquire, the *Ex Parte* Temporary Restraining Order is hereby extended and modified according to the following terms, which are binding on the Parties and enforceable as an order of the Court:

1. Defendant Gary C. Johnson shall be permitted to pay his customary and ordinary living expenses and bills, such as those on automatic/monthly draft from his bank account. Any expenditures outside these parameters must first be agreed to in writing by counsel for Plaintiff.

2. All other terms of the *Ex Parte* Temporary Restraining Order shall remain in place and the Order, as modified, shall be extended until a hearing can be held on this matter.

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3. The hearing currently scheduled for December 29, 2022, at 2:00 p.m. EST will be rescheduled. The Parties will confer with the Court to have that hearing scheduled as soon thereafter as feasible.

_____
Marvin H. Dukes, III

IT IS SO ORDERED!

WE CONSENT:

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Beaufort Common Pleas

Case Caption: Blue Bell Holdings Llc VS Gary C Johnson , defendant, et al

Case Number: 2022CP0702454

Type: Order/Other

So Ordered:

s/Marvin H. Dukes III #3069

ELECTRONICALLY FILED - 2023 Mar 08 4:26 PM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

STATE OF SOUTH CAROLINA **COUNTY OF BEAUFORT**	)	**IN THE COURT OF COMMON PLEAS** **CASE NO:** 2022-CP-07-02454
Blue Bell Holdings, LLC, **Plaintiff(s)**, vs. Gary C. Johnson, et al., **Defendant(s).**	)	**ORDER**

This case before me on the continuation of the TRO hearing and on Plaintiff's Motion to Stay Potential Decision Lifting Injunctive Relief that was filed on March 2nd, 2023. After hearing from parties, I hereby deny the Motion to Stay and, additionally deny the conversion of the TRO to an injunction.

Specifically, I find that the Plaintiff cannot show a lack of an adequate remedy at law or irreparable harm.

The TRO is dissolved.

IT IS SO ORDERED:

_____

Honorable Marvin H. Dukes, III
Master in Equity and Special Circuit Court Judge
for Beaufort County

March _____, 2023
Beaufort, South Carolina

ELECTRONICALLY FILED - 2023 Mar 08 4:26 PM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

Beaufort Common Pleas

Case Caption: Blue Bell Holdings Llc VS Gary C Johnson , defendant, et al

Case Number: 2022CP0702454

Type: Order/Other

So Ordered:

s/Marvin H. Dukes III #3069

ELECTRONICALLY FILED - 2023 Jun 07 10:30 AM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

STATE OF SOUTH CAROLINA **COUNTY OF BEAUFORT**	)	**IN THE COURT OF COMMON PLEAS**
	)	**CASE NO:** 2022-CP-07-02454
Blue Bell Holdings, LLC, **Plaintiff(s)**,	)	**AMENDED ORDER**
vs.	)	
Gary C. Johnson, et al., **Defendant(s).**	)	

FOLLOWING A RECONSIDERATION HEARING ON June 1st, 2023, I HEREBY SUBSTITUTE THE PRIOR ORDER WITH THIS AMENDED ORDER

This case before me on the continuation of the TRO hearing and on Plaintiff's Motion to Stay Potential Decision Lifting Injunctive Relief that was filed on March 2nd, 2023. After hearing from parties, I hereby deny the Motion to Stay and, additionally deny the conversion of the TRO to an injunction.

Specifically, I find that the Plaintiff did not show a lack of an adequate remedy at law or irreparable harm. This Order is without prejudice and is issued with leave to refile upon changed circumstances.

The TRO is dissolved.

IT IS SO ORDERED:

_____

Honorable Marvin H. Dukes, III
Master in Equity and Special Circuit Court Judge
for Beaufort County

June _____, 2023
Beaufort, South Carolina

ELECTRONICALLY FILED - 2023 Jun 07 10:30 AM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

Beaufort Common Pleas

Case Caption: Blue Bell Holdings Llc VS Gary C Johnson , defendant, et al

Case Number: 2022CP0702454

Type: Order/Amend

So Ordered:

s/Marvin H. Dukes III #3069

ELECTRONICALLY FILED - 2021 Oct 26 12:18 PM - BEAUFORT - COMMON PLEAS - CASE#2021CP0701953

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2021-CP-07-____
	)	
BLUE BELL HOLDINGS, LLC,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	**SUMMONS**
	)	
GARY C. JOHNSON,	)	**(**Jury Trial Demanded**)**
	)	
Defendant.	)	
	)	

TO: DEFENDANT ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action, a copy of which is herewith served upon you, and to serve a copy of your answer to the said Complaint on the Plaintiff by and through its attorney(s), J. Ashley Twombley of TWENGE + TWOMBLEY LAW FIRM, 311 Carteret Street, Beaufort, SC 29902, within thirty (30) days after the service hereof, exclusive of the day of such service, and if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in the Complaint. Any answer that you serve on the parties in this action must be filed with the Clerk of Court within a reasonable period of time after service.

TWENGE + TWOMBLEY LAW FIRM

BY: s/J. Ashley Twombley

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Attorney for Plaintiff

Beaufort, South Carolina
October 26, 2021

ELECTRONICALLY FILED - 2021 Oct 26 12:18 PM - BEAUFORT - COMMON PLEAS - CASE#2021CP0701953

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2021-CP-07-____
BLUE BELL HOLDINGS, LLC,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	**COMPLAINT**
	)	
GARY C. JOHNSON,	)	**(**Jury Trial Demanded**)**
	)	
Defendant.	)	
	)	

TO: DEFENDANT ABOVE NAMED:

Blue Bell Holdings, LLC, hereinafter "Plaintiff," complaining of Gary C. Johnson, hereinafter "Defendant" or "Johnson" alleges as follows:

PARTIES, JURISDICTION, AND VENUE

1. Plaintiff is a limited liability company organized and existing pursuant to the laws of South Carolina with its principal place of business in Beaufort County, South Carolina.

2. Defendant is a citizen and resident of Beaufort County, South Carolina.

3. The acts and omissions complained of herein occurred in Beaufort, South Carolina.

4. Jurisdiction and venue in this Court are proper.

FACTUAL ALLEGATIONS

5. Plaintiff and Defendant each own a 50% interest in two (2) limited liability companies: 30 Haul Away, LLC and Island Funding, LLC. Each are South Carolina limited liability companies that were formed for the purpose of acquiring distressed real property and managing the properties for future sale at a profit.

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6. Plaintiff (or its predecessor in interest) and Defendant formally owned a 50% interest in a third LLC, 6 Shelley Court, LLC. It too was formed for the purpose of acquiring distressed real property and managing the properties for future sale at a profit.

7. 30 Haul Away LLC, Island Funding LLC, and 6 Shelley Court LLC (hereinafter "the LLCs") were formed on May 21, 2009, November 16, 2012, and December 11, 2009, respectively.

8. The operating agreements for the LLCs were entered into on or around the date of formation, and the LLCs are governed by their respective operating agreements and by the South Carolina Limited Liability Company Act found at S.C. Code § 33-44-101 to § 33-44-1208.

9. The operating agreements all provide that by signing them, each member represents and warrants that the execution, delivery, and performance under the operating agreement does not "conflict with any other agreement or arrangement to which that Member is a party or by which it is bound."

10. South Carolina Code § 33-44-409 spells out the fiduciary duties that are imposed on the members (in a member-run LLC), including the duties of care and loyalty, which are not and cannot be eliminated by contrary provisions in an operating agreement.

11. After the LLCs were formed, Defendant Johnson provided the day-to-day management of the LLCs, including but not limited to:

a. managing the LLCs bank accounts and company books;

b. selecting real properties to be purchased by the LLCs;

c. making management decisions related to the properties purchased;

d. selling properties for a profit;

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e. working with the LLCs' accountant to report financial transactions related to the LLCs and have tax returns prepared for the LLCs; and

f. distributing profits to the members.

12. Johnson was obligated to perform these activities in accordance with the terms of the operating agreements, South Carolina law, and in accordance with fiduciary duties owed.

Shoreline Funding, LLC and the Johnson Halpern Partnership

13. Plaintiff has recently discovered that, while managing the LLCs, Johnson breached the terms of the applicable operating agreements, breached S. C. Code § 33-44-409, and breached his fiduciary duties to Plaintiff in at least the following particulars:

- secretly forming a company called Shoreline Funding, LLC to compete with Island Funding, LLC, and operating that company in direct competition with the LLCs;
- joining a partnership or joint venture called the Johnson Halpern Partnership to compete with Island Funding, LLC, and operating that partnership in direct competition with the LLCs;
- misappropriating business opportunities from the LLCs to a) Shoreline Funding, LLC, b) the Johnson Halpern Partnership, and c) to himself individually despite his legal obligation to first offer those opportunities to the LLCs;
- secretly purchasing the following parcels of real estate on behalf of Shoreline Funding, the Johnson Halpern Partnership and his self individually to the detriment of Plaintiff:

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Property	TMP #	Purchase Price	Sale Price	Profit	Purchase Date	Sale Date
Shoreline Funding, LLC						
Lot 804 Basket walk	R600 028 000 1698 0000	$ 114,751.00	$ 142,000.00	$ 27,249.00	12/4/12	1/28/13
.570 AC HHI	R511 003 000 0147 0000	$ 105,000.00	$ 208,000.00	$ 103,000.00	3/7/13	1/10/14
Lot 217 Hampton Lake	R614 037 000 0504 0000	$ 32,726.00	$ 47,500.00	$ 14,774.00	6/14/13	8/6/13
Lot 41 Sandcastle	R511 009 000 1147 0000	$ 28,001.00	$ 150,000.00	$ 121,999.00	7/11/13	TBD
APT 46 Forest Gardens	R553 018 000 015B 0046	$ 76,000.00	$ 105,000.00	$ 29,000.00	1/2/14	7/7/14
APT 3324 SPA at PR	R510 005 000 008B 3324	$ 36,000.00	$ 68,000.00	$ 32,000.00	2/5/14	9/23/16
Unit 307 Bldg A-3 P-Bay	R550 010 000 0066 307C	$ 104,475.00	$ 176,000.00	$ 71,525.00	5/21/14	8/14/15
				$ 399,547.00		
Johnson Halpern Partnership						
UNT 6A Westwind HPR HHI	R501 006 00B 0019 006A	$ 361,000.00	$ 497,000.00	$ 136,000.00	12/4/12	2/14/13
LT 137 Duke of Beaufort Village	R600 020 000 0141 0000	$ 119,000.00	$ 169,900.00	$ 50,900.00	7/11/13	11/15/13
LT 135 Cottonwood Lane Dolphin Head	R510 002 00A 0547 0000	$ 263,000.00	$ 287,000.00	$ 24,000.00	3/17/14	10/20/14
				$ 210,900.00		
Gary C. Johnson						
LT 241 Moss Creek PL HHI	R600 040 00A 0180 0000	$ 107,100.00	$ 240,000.00	**$ 132,900.00**	4/15/13	12/5/13
			Total Profit	**$ 743,347.00**		

- improperly categorizing financial transactions involving the LLCs to benefit Johnson to the detriment of Plaintiff; and
- Converting money that belongs to the LLCs to himself.

30 Haul Away, LLC

14. In addition to the acts set forth above, and according to the Company's QuickBooks as last adjusted on March 16, 2021, Johnson has misappropriated money from 30 Haul Away, LLC and Plaintiff as follows:

Improper Characterization of Advances

- The 30 Haul Away Operating Agreement provides that any advancement made to the LLC by one member must be equally matched by the other member, and further, than any unequal advancement is to be treated as a loan to the LLC by the advancing member;

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- Since its formation, both Blue Bell and Johnson have made advances to 30 Haul Away, LLC;
- Johnson characterized the advances in an improper and unequal way that benefited himself and harmed Blue Bell;
- Specifically, Johnson has treated advances made by Blue Bell as "capital contributions" even though the operating agreement required him to treat the advances as loans; and
- 30 Haul Away, LLC is indebted to Blue Bell for net advances totaling $1,550,000.00, and accrued and unpaid interest on the advances made by Blue Bell using the Wall Street Journal prime rate from the date of each advance to October 1, 2021 of $574,230.48.

Unequal Cash Distributions

- The 30 Haul Away operating agreement provides that cash distributions are to be made to the members equally;
- Since formation, Mr. Johnson has been paid $152,877.94 in cash distributions, but Blue Bell has only been paid $34,376.55 in cash distributions; and
- Blue Bell is owed $118,501.39 to equalize the cash distributions, and $39,480.05 of accrued interest through October 1, 2021.

Summary 30 Haul Away, LLC

Unpaid advances	$1,550,000.00
Accrued interest on unpaid advances (net)	$565,920.35
Unequal cash distributions	$118,501.39
Accrued interest unequal cash distributions	$39,480.05
Plaintiff's Damage	**$2,273,901.79**

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Island Funding, LLC

Improper Characterization of Advances

15. In addition to the acts set forth above and according to the Company's QuickBooks as last adjusted on March 16, 2021, Johnson has misappropriated money from Island Funding, LLC and Plaintiff as follows:

- The Island Funding operating agreement provides that any advancement made to the LLC by one member must be equally matched by the other member, and further, than any unequal advancement is to be treated as a loan to the LLC by the advancing member;
- Since its formation, Johnson has made no advances to Island Funding, LLC yet Plaintiff (or its predecessor in interest) has made advances of $1,508,361.37;
- Island Funding is indebted to Blue Bell for $1,508,361.37 in advances and accrued and unpaid interest on the advances made by Blue Bell using the Wall Street Journal prime rate from the date of each advance to October 1, 2021 of $445,854.14;

Unequal Cash Distributions

- The Island Funding operating agreement provides that cash distributions are to be made to the members equally;
- Since formation, Mr. Johnson has been paid $561,183.59 in unequal cash distributions by writing himself the following checks:

Date	Number	Amount
06/28/2013	1090	21,188.00
09/16/2013	1171	1,307.00
09/16/2013	1173	6,508.00
09/16/2013	1174	277.00
11/20/2013	1239	5,704.58
06/25/2014	1433	8,582.63

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03/10/2015	1615	7,252.97
03/10/2015	1616	36,117.88
04/07/2017	1905	11,745.53
07/27/2017	1907	12,500.00
08/10/2017	1935	12,500.00
09/20/2017	1954	12,500.00
10/08/2017	1959	12,500.00
11/09/2017	1972	12,500.00
12/29/2017	2000	12,500.00
03/13/2018	2028	12,500.00
05/22/2018	2046	12,500.00
09/25/2018	2072	12,500.00
10/18/2018	2082	12,500.00
11/15/2018	2091	12,500.00
01/31/2019	2099	12,500.00
02/19/2019	2100	12,500.00
03/11/2019	2101	12,500.00
04/09/2019	2107	12,500.00
05/13/2019	2111	12,500.00
06/20/2019	2125	12,500.00
08/19/2019		12,500.00
10/07/2019	2131	12,500.00
10/17/2019	2139	12,500.00
11/01/2019	2145	12,500.00
12/04/2019	2099a	12,500.00
01/06/2020	2161	12,500.00
02/01/2020	2166	12,500.00
03/09/2020	2182	12,500.00
04/06/2020	2188	12,500.00
05/11/2020	2196	12,500.00
06/18/2020	2204	12,500.00
07/03/2020	2203	12,500.00
08/07/2020	2209	12,500.00
09/04/2020	2213	12,500.00
10/02/2020	2219	12,500.00
11/04/2020	2230	12,500.00
12/07/2020	2233	12,500.00
01/12/2021	2244	12,500.00
02/09/2021	2254	12,500.00
03/09/2021	2263	12,500.00
	Total	561,183.59

- Blue Bell is owed $561,183.59 to equalize the cash distributions, and $67,371.23 of accrued interest through October 1, 2021.

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Summary Island Funding, LLC

Unpaid advances	$1,508,361.37
Accrued interest on unpaid advances	$445,854.14
Unequal cash distributions	$561,183.59
Accrued interest unequal cash distributions	$67,371.23
Plaintiff's Damage	**$2,582,770.32**

6 Shelley Court, LLC

Improper Characterization of Advances

16. In addition to the acts set forth above and according to the Company's QuickBooks as last adjusted on September 30, 2019, Johnson has misappropriated money from 6 Shelley Court, LLC and Plaintiff as follows:

- The 6 Shelley Court operating agreement provides that any advancement made to the LLC by one member must be equally matched by the other member, and further, than any unequal advancement is to be treated as a loan to the LLC by the advancing member;
- Immediately prior to the dissolution of the LLC, 6 Shelley Court, LLC was indebted to Blue Bell for net advances totaling $233,339.86;
- Accrued and unpaid interest on net advances made by Blue Bell using the Wall Street Journal prime rate from the date of each advance to October 1, 2021 is $99,885.68 accrued in favor of Blue Bell;

Summary 6 Shelley Court, LLC

Unpaid advances (net of Johnson advances)	$222,987.86
Accrued interest on unpaid advances	$87,076.68
Plaintiff's Damages	**$310,064.54**

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17. In addition to the acts set forth above and according to the LLCs' latest available QuickBooks, Johnson has caused 30 Haul Away, LLC to loan over $1.5 million to Island Funding, LLC and such amount remains unpaid.

18. Johnson also caused 6 Shelley Court, LLC to loan Island Funding, LLC $374,067 and such amount remains unpaid notwithstanding 6 Shelley Court, LLC's dissolution during 2019, and, Island Funding, LLC has loaned Ocean Trust over $600,000.

FOR A FIRST CAUSE OF ACTION
(Receiver, Injunction, TRO)

19. All allegations set forth above are incorporated herein and are repeated verbatim.

20. This Honorable Court should appoint a receiver pursuant to S.C. Code § 15-65-10.

21. Plaintiff has established an apparent right to property which is the subject of the action, namely, its interest in the LLCs and the LLCs' assets.

22. Johnson is in the possession of said property and refuses to allow Plaintiff to participate in the management of the property or maintain the status quo while this action is pending.

23. The rents and profits of the LLCs are in danger of being lost or materially injured or impaired.

24. The Court should appoint a receiver pursuant to S.C. Code § 15-65-10.

25. In the alternative, the Court should grant a Temporary Restraining Order to enjoin Johnson from engaging in any financial transactions on behalf of the LLCs until a consent order can be entered establishing appropriate protocols to protect both members of the LLCs.

26. In addition, the Court should grant Plaintiff an injunction maintaining the status quo until these matters can be resolved or determined by the Court.

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FOR A SECOND CAUSE OF ACTION
(Breach of Fiduciary Duties)

27. All allegations set forth above are incorporated herein as if repeated verbatim.

28. Johnson owed fiduciary duties to Plaintiff.

29. Johnson breached his fiduciary duties in the various manners as set forth above.

30. As a result of Johnson's breach of his duties, Plaintiff has been damaged in an amount to be proven at the trial of this action.

31. Johnson's breaches of his fiduciary duties were willful, wanton, and in reckless disregard of Plaintiff's rights, and therefore, Plaintiff is entitled to an award of actual and punitive damages.

FOR A THIRD CAUSE OF ACTION
(Conversion)

32. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove as if repeated here verbatim.

33. Plaintiff has a possessory interest in the profits from the LLCs.

34. Defendant intentionally interfered with Plaintiff's possession of those profits.

35. Defendant (without authorization) assumed and exercised the right of ownership over funds that belonged to Plaintiff to the detriment of Plaintiff who otherwise held rights to said funds.

36. Defendant's acts are the legal cause of Plaintiff's loss of property.

FOR A FOURTH CAUSE OF ACTION
(Breach of Contract/Breach of Obligation of Good Faith and Fair Dealing)

37. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove as if repeated here verbatim.

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38. The operating agreements, along with South Carolina law, govern Plaintiff and Defendant as the members of the LLCs.

39. The Operating Agreements contain an obligation of good faith and fair dealing.

40. Johnson has breached the Operating Agreements and the obligation of good faith and fair dealing as set forth above.

41. Johnson's breaches are material and occurred without any breach having been committed by Plaintiff or any other justification for Johnson's failure to perform.

42. Johnson's breaches of the Operating Agreements and the obligation of good faith and fair dealing constitute negligent, grossly negligent, reckless, willful, and intentional acts and omissions.

43. The failure of Johnson to perform in accordance with the Operating Agreements and the obligation of good faith and fair dealing has proximately caused Plaintiff to suffer damages and injuries.

44. Plaintiff is entitled to recover actual and punitive damages from Johnson in an amount to be established at trial.

FOR A FIFTH CAUSE OF ACTION
(Judicial Dissociation/Expulsion of Johnson)

45. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove.

46. Johnson has engaged in wrongful conduct that has adversely and materially affected and continues to adversely and materially affect the LLCs and Plaintiff, as is set out above.

47. The conduct of Johnson is also such that it constitutes willful and material breaches of the duties owed by Johnson to the LLCs and Plaintiff, as is set forth herein, including but not

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limited to the causes of action for Breach of Fiduciary Duties, Breach of Contract/Breach of Obligation of Good Faith and Fair Dealing, and Conversion.

48. The conduct of Johnson as alleged herein is also such that it makes it not reasonably practicable to carry on the business of the LLCs with Johnson continuing to be a part thereof.

49. Johnson has engaged in wrongful conduct that adversely and materially affected and continues to affect the LLCs' business and engaged in conduct relating to the LLCs' business which makes it not reasonably practicable to carry on the business with Johnson as a member.

50. Plaintiff is therefore informed and believes that as an alternative to a decree declaring that Johnson be dissociated from the LLCs, Plaintiff is entitled to a decree pursuant to S.C. Code § 33-44-601(6) dissociating Johnson from any and all interest in the LLCs, along with an order (1) directing the parties to engage in the dissolution, liquidation and termination process as set forth in the Operating Agreements, (2) determining the amount of damage caused to the LLCs and to Plaintiff by Johnson's conduct, and (3) directing that the value of Johnson's membership interest be reduced by the amount of damage determined to have been caused to the LLCs and to Plaintiff by the wrongful conduct of Johnson.

WHEREFORE, Plaintiff, Blue Bell Holdings, LLC prays:

a) for a jury trial on all claims triable by jury and for all damages available under the law;

b) for an order (1) declaring that Johnson be dissociated from the LLCs, (2) directing the parties to engage in the dissolution, liquidation and termination process as set forth in the Operating Agreements, (3) determining the amount of damage caused to the LLCs and to Plaintiff by Johnson's conduct, and (4) directing that the value of Johnson's membership interest be reduced by the amount of damage determined

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to have been caused to the LLCs and to Plaintiff by the wrongful conduct of Johnson;

c) in the alternative, for an order (1) dissociating Johnson from any and all interest therein, pursuant to S.C. Code § 33-44-601(6), (2) directing the parties to engage in the dissolution, liquidation and termination process as set forth in the Operating Agreements, (3) determining the amount of damage caused to the LLCs and to Plaintiff by Johnson's conduct, and (4) directing that the value of Johnson's membership interest be reduced by the amount of damage determined to have been caused to the LLCs and to Plaintiff by the wrongful conduct of Johnson;

d) for an award of actual and punitive damages against Johnson in amounts to be determined at trial;

e) for an award of attorney's fees and costs of this action;

f) for such other and further relief as may be just and proper under these circumstances.

TWENGE + TWOMBLEY LAW FIRM

BY: s/J. Ashley Twombley

J. ASHLEY TWOMBLEY
S.C. Bar #72916
311 Carteret Street
Beaufort, SC 29902
(843) 982-0100
twombley@twlawfirm.com
Attorney for Plaintiff

Beaufort, South Carolina

October 26, 2021

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2021-CP-07-01953
BLUE BELL HOLDINGS, LLC,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	**PLAINTIFF'S SECOND SET OF INTERROGATORIES TO DEFENDANT, GARY C. JOHNSON**
	)	
GARY C. JOHNSON,	)	
	)	
Defendant.	)	
	)	

TO: ELIZABETH J. PALMER, ESQUIRE, ATTORNEY FOR DEFENDANT:

Blue Bell Holdings, LLC, hereinafter "Plaintiff," requests that Gary C. Johnson, hereinafter "Defendant," answer under oath the Second Set of Interrogatories hereinafter set forth within thirty (30) days after the serving thereof in accordance with Rule 33 of the South Carolina Rules of Civil Procedure.

I. INSTRUCTIONS

A. These Interrogatories shall be deemed continuing so as to require supplemental answers if you or your attorneys obtain further information between the time answers are served and the time of trial.

B. All answers should be made separately, fully, and completely. When an interrogatory calls for an answer in more than one part, each part should be separated so that the answer is clearly understandable.

C. If any of these interrogatories cannot be answered in full, you must answer to the fullest extent possible, specifying the reasons for your inability to answer the remainder, and stating whatever information, knowledge or belief you do have concerning the unanswered portion.

II. DEFINITIONS

The following terms shall have the meanings stated below:

A. "Document" means every writing or record (whether an original or a copy) of every type and description that is or has been in your possession, custody, or control or of which you have knowledge, including those in electronic form; and every copy of every such writing or record where such copy is not an identical copy of an original or where such copy contains any commentary or notation whatsoever that does not appear on the original. The term "documents" shall also include any summary of a document or documents called for hereinafter.

B. "Plaintiff" means Blue Bell Holdings, LLC, the named Plaintiff in this action.

C. "Defendant" means Gary C. Johnson, the named Defendant in the action.

D. "And" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of this request any document that otherwise might be outside the scope of this request.

E. "Referring to," "relating to," "regarding," and "evidencing," as used herein mean in whole or in part discussing, describing, reflecting, memorializing, containing, comprising, analyzing, studying, reporting on, commenting on, evidencing, constituting, embodying, identifying, stating, considering, recommending, setting forth, concerning, dealing with, or in any way pertaining to.

III. INTERROGATORIES

1. Set forth the name of each and every corporate entity, partnership, limited liability company, or other entity or association of any kind in which you have or otherwise own any

interest, manage in any way, or otherwise have or had a connection or association with during the past thirteen (13) years. Include the name of the entity, the nature of your relationship and position with the entity, when the relationship began and ended, why the relationship began and ended, the purpose of the entity, and all owners, managers, shareholders, stockholders, interest holders, or other agents of the entity.

2. Identify each and every bank, investment or other financial account for which you have or had signature authority at any time during the past thirteen (13) years, including in your response the name of the bank, the name of the account holder, the bank account number, the time period in which you have had signature authority over the account, and if you no longer have signature authority, when and why it ended.

3. From October 26, 2021 until the present time, set forth every asset with a value of over $5,000 that you have sold, assigned, transferred, mortgaged, traded, pledged, gifted, surrendered, or otherwise disposed of or encumbered including in your response a description of the transaction, the names of any other individuals or entities that were parties to the transactions or otherwise participated or had knowledge of the transaction, the purpose the transaction, and the name of any lawyer or law firm who had knowledge of the transaction.

4. For each entity identified in response to Interrogatory Number 1, set forth every asset with a value of over $5,000 that the entity sold, assigned, transferred, mortgaged, traded, pledged, gifted, surrendered, or otherwise disposed of or encumbered including in your response a description of the transaction, the names of any other individuals or entities that were parties to the transaction or otherwise participated in the transaction when it occurred, who approved the transaction, the purpose of the transaction, and the role you played related to the transaction.

5. Since the time you received notice of this suit, set forth every asset with a value of over $5,000 that the entities identified in response to interrogatory number 1 has sold, transferred, mortgaged, assigned, traded, pledged, surrendered, or otherwise disposed of or encumbered including in your response a description of the transaction, the names of any other individuals or entities that were parties to the transaction or otherwise participated in the transaction, when the transaction occurred, the consideration you (or any entity in which you have an association) provided related to the transaction.

6. Set forth the name and address for any lawyer or law firm that has represented you or provided legal advice to you at any time since 2009 and include a basic non-privileged description of the subject matter of the representation, when the representation began, and when the representation ended.

7. Set forth the name and address for any lawyer or law firm that has represented any entity identified in response to Interrogatory Number 1 and include a basic non-privileged description of the subject matter of the representation, when the representation began, and when the representation ended.

8. If you borrowed money, or attempted to borrow money, from a bank or other financial institution since 2009, or if you signed a personal guarantee in any way related to a loan or potential loan since 2009, set forth the name of the bank or financial institution that you dealt with.

9. Set forth your net worth and include in your response how you calculated your net worth and all documents you consulted or otherwise used to arrive at your net worth and any individuals you consulted to arrive at your net worth.

10. Set forth a list of all computers, cell phones, laptops, iPads, cell phone numbers, cell phone carriers, email accounts, and social medial accounts, that you have utilized since 2009. For any device (phone, iPad, computer), indicate the current location of the device and whether it is in your possession, custody and control – and if not, who has possession, custody and control of the device at this time.

11. For each piece of parcel of property identified on Exhibit A, set forth the current value of each parcel.

12. If you have previously held any opinion as to the value of any parcel of property identified on Exhibit A, set forth all such opinions.

13. If you believe that you have any financial obligations or owe any debts to Plaintiff, David Brosman (or associated LLCs or entities), 30 Haul Away, LLC, Island Funding, LLC, or 6 Shelley Court, LLC for any reason, set forth the amount you contend you owe/what the financial obligation is, when the debt/obligation arose, and when you plan to pay back the obligation/debt.

14. Provide a list of all gifts made over $5,000 in value over the past 13 years.

TWENGE + TWOMBLEY LAW FIRM

By: _____

J. ASHLEY TWOMBLEY
S.C. Bar #72916
311 Carteret Street
Beaufort, SC 29902
Attorney for Plaintiff
(843) 982-0100
twombley@twlawfirm.com

Beaufort, South Carolina

December 9, 2022

CERTIFICATE OF MAILING

The undersigned, Andrea Smith, hereby avers that she is the Paralegal to TWENGE + TWOMBLEY LAW FIRM, Attorneys for Plaintiff, and that on the 9th day of December 2022 a true and accurate copy of the attached was placed in an envelope with first class postage thereon prepaid through the United States Postal Service, and mailed to all counsel of record as follows:

Elizabeth J. Palmer, Esquire
Saxton & Stump
151 Meeting Street, Suite 350
Charleston, SC 29401
(843) 277-8034
ep@saxtonstump.com
Attorney for Defendant, Gary C. Johnson

BY:

Andrea Smith, Paralegal to
TWENGE + TWOMBLEY LAW FIRM

Owner	Property Address/ Legal Description	County	Property ID
Island Funding, LLC	LT 24 ST HELENA ISLAND	Beaufort	R300 018 000 0209 0000
Island Funding, LLC	20 KATO LN	Beaufort	R100 024 000 0135 0000
Island Funding, LLC	11.96 AC POR of Block W, Rose Hill Plantation	Beaufort	R600 031 000 0101 0000
Island Funding, LLC	713 MAY RIVER RD	Beaufort	R600 038 000 004B 0000
Island Funding, LLC	7 CALLISON LN, Town of Bluffton	Beaufort	R610 038 000 0020 0000
Island Funding, LLC	20 MARTHA BROWN CIR, Town of Bluffton	Beaufort	R610 039 000 0045 0000
Island Funding, LLC	30 MARTINANGEL LN	Beaufort	R800 025 00A 0030 0000
Island Funding, LLC	0 Wilhelmina Dr.	Charleston	2000000084
Island Funding, LLC	1172 HONEY HILL RD	Jasper	029-00-02-080
30 Haul Away, LLC	0 FOLLY RD	Charleston	3341000012
30 Haul Away, LLC	MARY ANN POINT RD	Charleston	2810000246
30 Haul Away, LLC	1061 DUNBAR CT	Aiken	036-09-01-021
30 Haul Away, LLC	383 SHILOH HEIGHTS RD	Aiken	119-13-12-006
30 Haul Away, LLC	80 JOHNSON LANDING	Beaufort	R200 004 000 0367 0000
30 Haul Away, LLC	OLD FISH HAUL PLANT PAR B PB35 P249	Beaufort	R510 004 000 0292 0000
30 Haul Away, LLC	155 DILLION RD Unit 2225	Beaufort	R510 005 000 020B 2225
30 Haul Away, LLC	APT 143 SEA CABIN PHIII 09-04-1980	Beaufort	R552 015 000 0225 0143
30 Haul Away, LLC	160 SIMMONSVILLE RD, Town of Bluffton	Beaufort	R610 031 000 019B 0000

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2022-CP-07-2454
Blue Bell Holdings, LLC,	)	
	)	
Plaintiff,	)	
vs.	)	
	)	**SUMMONS**
Gary C. Johnson; Stephen D. Halpern; Holly A. Angel; Holly Ann, LLC; Belmont Properties, LLC; the Johnson Halpern Partnership; Shoreline Funding, LLC; and Orange Capital, LLC (Nevis),	)	(Jury Trial Demanded)
	)	
Defendants.	)	

TO: DEFENDANTS ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Verified Complaint in this action, a copy of which is herewith served upon you, and to serve a copy of your answer to the said Verified Complaint on the Plaintiff by and through its attorney(s), J. Ashley Twombley of TWENGE + TWOMBLEY LAW FIRM, 311 Carteret Street, Beaufort, SC 29902, within thirty (30) days after the service hereof, exclusive of the day of such service, and if you fail to answer the Verified Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in the Verified Complaint. Any answer that you serve on the parties in this action must be filed with the Clerk of Court within a reasonable period of time after service.

TWENGE + TWOMBLEY LAW FIRM

BY: s/J. Ashley Twombley

J. ASHLEY TWOMBLEY
S.C. Bar #72916
311 Carteret Street
Beaufort, SC 29902
(843) 982-0100
twombley@twlawfirm.com
Attorney for Plaintiff

Beaufort, South Carolina

December 21, 2022

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2022-CP-07-2454
Blue Bell Holdings, LLC, Plaintiff, vs. Gary C. Johnson; Stephen D. Halpern; Holly A. Angel; Holly Ann, LLC; Belmont Properties, LLC; the Johnson Halpern Partnership; Shoreline Funding, LLC; and Orange Capital, LLC (Nevis), Defendants.	)	**VERIFIED COMPLAINT** (Jury Trial Demanded)

TO: DEFENDANTS ABOVE NAMED:

Plaintiff Blue Bell Holdings, LLC ("Plaintiff") complaining of the Defendants Gary C. Johnson; Stephen D. Halpern; Holly A. Angel; Holly Ann, LLC; Belmont Properties, LLC; Johnson Halpern Partnership; Shoreline Funding, LLC; and Orange Capital, LLC (Nevis) alleges as follows:

This is a case of fraud and manipulation undertaken by a Defendant – who saw the writing on the wall – and then took illegal actions in a transparent attempt to escape a multimillion-dollar liability. Gary Johnson misappropriated millions of dollars from Plaintiff and got caught. Faced with the reality that his behavior was indefensible, and further, that a multi-million-dollar judgment was closing in, Johnson orchestrated an illegal scheme to move, hide, obscure, and transfer his assets out of his name. Johnson's actions are nothing more than a blatant attempt to portray himself as a judgment proof defendant, and manipulate South Carolina's civil justice system for his own financial benefit. In order to right this wrong and maintain the integrity of the civil justice system,

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the Court must step in, and fast. Failure to stop Johnson now will cause irreparable harm to Plaintiff, make a mountain of additional work for the Court, and reward a bad actor who cares only about himself.

PARTIES, JURISDICTION, AND VENUE

1. Plaintiff is a limited liability company organized and existing pursuant to the laws of South Carolina with its principal place of business in Beaufort County, South Carolina.

2. Defendant Gary C., Johnson ("Defendant Johnson") is a citizen and resident of Beaufort County, South Carolina.

3. Defendant Stephen D. Halpern ("Defendant Halpern") is resident and citizen of Beaufort County, South Carolina.

4. Defendant Holly A. Angel ("Defendant Angel") is a resident and citizen of Beaufort County, South Carolina.

5. Upon information and belief, Holly Ann, LLC ("Defendant Holly Ann, LLC") is a limited liability company organized and existing pursuant to the laws of South Carolina with its principal place of business in Beaufort County, South Carolina.

6. Belmont Properties, LLC ("Defendant Belmont") is a limited liability company organized and existing pursuant to the laws of South Carolina with its principal place of business in Beaufort County, South Carolina.

7. Johnson Halpern Partnership (the "Johnson Halpern Partnership") is a partnership organized and existing pursuant to the laws of South Carolina with its principal place of business in Beaufort County, South Carolina.

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8. Shoreline Funding, LLC ("Defendant Shoreline") is a limited liability company organized and existing pursuant to the laws of South Carolina with its principal place of business in Beaufort County, South Carolina.

9. Upon information and belief, Orange Capital, LLC (Nevis) is a "Nevis" limited liability company formed by Gary Johnson or at his direction for the purpose of conspiring with his co-defendants to defraud Plaintiff.

10. The acts and omissions complained of herein occurred in Beaufort County, South Carolina.

11. The Court has jurisdiction over the matters alleged herein pursuant to S.C. Code Annotated §§ 36-2-803 and 36-2-802, Article V of the Constitution of South Carolina, and the Court's plenary powers.

12. Plaintiff is informed and believes that venue is proper in the Court of Common Pleas for Beaufort County, South Carolina because one or more Defendants reside in Beaufort County and because the majority of Defendants' conduct giving rise to this action occurred in Beaufort County.

FACTUAL BACKGROUND AND ALLEGATIONS

13. This matter arises out of an initial lawsuit filed by Plaintiff against Defendant Gary C. Johnson on October 26, 2021 in Beaufort County, South Carolina, Civil Action Number 2021-CP-70-01953 hereinafter referred to as "the Lawsuit".

14. The Lawsuit arises our Plaintiff and Defendant Johnson each forming and owning own a 50% interest in two (2) limited liability companies: 30 Haul Away, LLC and Island Funding, LLC.

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15. Each are South Carolina limited liability companies that were formed for the purpose of acquiring distressed real property and holding, and/or renting, and/or improving the properties for future sale at a profit.

16. Plaintiff Blue Bell (or its predecessor in interest) and Defendant Johnson also owned a 50% interest in a third LLC, 6 Shelley Court, LLC. It too was formed for the purpose of acquiring distressed real property and holding, and/or renting, and/or improving the properties for future sale at a profit.

17. 30 Haul Away, LLC, Island Funding, LLC, and 6 Shelley Court, LLC (hereinafter "the LLCs") were formed on June 1, 2009, November 16, 2012, and December 11, 2009, respectively.

18. The operating agreements for the LLCs were entered into on or around the date of formation, and the LLCs are governed by their respective operating agreements and by the South Carolina Limited Liability Company Act found at S.C. Code § 33-44-101 to § 33-44-1208.

19. The operating agreements, attached hereto as **Exhibit A**, all provide that by signing them, each member represents and warrants that the execution, delivery, and performance under the operating agreement does not "conflict with any other agreement or arrangement to which that Member is a party or by which it is bound."

20. Further, the operating agreements did not alter, reduce, or limit the fiduciary duties owed by a member to a member-managed company and its other members, the fiduciary duties are stated in § 33-44-409.

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The Lawsuit

21. Plaintiff initiated the Lawsuit after making a shocking discovery that Johnson had breached the terms of the applicable operating agreements, as well as South Carolina law, and stolen millions of dollars from the LLCs for his own personal benefit.

22. Specifically, Plaintiff discovered:

- Johnson stole $561,183.59 in cash distributions by writing himself the following checks from Island Funding, LLC:

Date	Number	Amount
06/28/2013	1090	21,188.00
09/16/2013	1171	1,307.00
09/16/2013	1173	6,508.00
09/16/2013	1174	277.00
11/20/2013	1239	5,704.58
06/25/2014	1433	8,582.63
03/10/2015	1615	7,252.97
03/10/2015	1616	36,117.88
04/07/2017	1905	11,745.53
07/27/2017	1907	12,500.00
08/10/2017	1935	12,500.00
09/20/2017	1954	12,500.00
10/08/2017	1959	12,500.00
11/09/2017	1972	12,500.00
12/29/2017	2000	12,500.00
03/13/2018	2028	12,500.00
05/22/2018	2046	12,500.00
09/25/2018	2072	12,500.00
10/18/2018	2082	12,500.00
11/15/2018	2091	12,500.00
01/31/2019	2099	12,500.00
02/19/2019	2100	12,500.00
03/11/2019	2101	12,500.00
04/09/2019	2107	12,500.00
05/13/2019	2111	12,500.00
06/20/2019	2125	12,500.00
08/19/2019		12,500.00
10/07/2019	2131	12,500.00
10/17/2019	2139	12,500.00
11/01/2019	2145	12,500.00
12/04/2019	2099a	12,500.00
01/06/2020	2161	12,500.00

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02/01/2020	2166	12,500.00
03/09/2020	2182	12,500.00
04/06/2020	2188	12,500.00
05/11/2020	2196	12,500.00
06/18/2020	2204	12,500.00
07/03/2020	2203	12,500.00
08/07/2020	2209	12,500.00
09/04/2020	2213	12,500.00
10/02/2020	2219	12,500.00
11/04/2020	2230	12,500.00
12/07/2020	2233	12,500.00
01/12/2021	2244	12,500.00
02/09/2021	2254	12,500.00
03/09/2021	2263	12,500.00
	Total	561,183.59

- Johnson wrote himself distribution checks from 30 Haul Away LLC totaling $152,778;
- Johnson misappropriated $1,310,931.00 in profit (including interest) by secretly diverting profits from real estate sales to himself in violation of his fiduciary duty to Plaintiff;
- Johnson used funds from Island Funding LLC to purchase a vehicle for $27,500.00, titled the vehicle in his personal name, and used Island Funding LLC funds to pay all expenses related to the vehicle; and
- Johnson converted assets that belonged to the LLCs to himself by submitting fraudulent insurance claims in his individual name and converting insurance payments to himself all to Plaintiff's detriment.

23. A complete copy of the pending allegations in the Lawsuit are attached hereto and incorporate herein as if repeated verbatim as **Exhibit B**.

24. After the Lawsuit was filed, and after Plaintiff moved for the appointment of a receiver to legally prohibit Johnson from engaging in future illegal behavior, Johnson entered into

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a consent order that restrained and prohibited him from using any account or other LLC assets for any reason other than for the purpose of paying a legitimate and proper expense of the LLCs after receiving agreement from Plaintiff (hereinafter "Restraining Order"). This Court can take judicial notice of the Restraining Order which is on file with the Beaufort County Clerk of Court.

25. Despite the above referenced Lawsuit and the Restraining Order, Johnson has continued to inappropriately and unlawfully move and convert LLC assets for his own personal use, and has further conspired with the other Defendants named herein to conceal and encumber the "fruits" of his unlawful activity.

26. Specifically, after the filing of the Lawsuit, Johnson orchestrated a scheme to hide and conceal assets that belong to the LLCs and other assets in his individual name from Plaintiff by fraudulently transferring the assets into other Limited Liability Companies ("Defendant LLCs") owned or controlled by either himself or the other Defendants, who all acted in concert with him.

27. In addition, Johnson placed fraudulent mortgages on properties he owned or other entities in which he owned an interest, in order to make it appear as if Johnson and the other entities in which he has an ownership interest are insolvent or lack equity (hereinafter "Fraudulent Transfers/Equity Stripping Transactions").

28. Johnson engaged in this conspiracy with the other Defendants, who aided and abetted and otherwise assisted him in engaging in the Fraudulent Transfers/Equity Stripping Transactions.

Johnson's Fear and The Scheme

29. The Lawsuit was filed on October 26, 2021, and Johnson became aware of the lawsuit within a day or two of its filing.

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30. When Johnson learned of the Lawsuit, he became justifiably fearful because he knew he had stolen money from Plaintiff, was liable to Plaintiff for millions of dollars, and could not defend the allegations in the Lawsuit.

31. Johnson further knew that Plaintiff would obtain a multi-million-dollar money judgment against him, and take possession of or assert a lien against property he owned, and ultimately sell any property had an ownership interest in to satisfy the judgment.

32. Upon making this realization, Johnson immediately sprang into action to defraud Plaintiff, mislead the Court, and thwart the judicial system.

33. Johnson enrolled others to assist him.

Fraudulent Transfers/Equity Stripping Transaction No. 1

34. In November of 2021, Johnson entered a contract to purchase a property in his individual name with an address of 17 Harborside Ln., #7118, Hilton Head, SC 29928 for $501,000.00 (Book 4094 at Page 1591) ("Harborside") (Attached as **Exhibit C**).

35. Johnson is believed to have contributed 100% of the purchase money for the purchase.

36. On November 30, 2021, Johnson instructed an attorney to assign the contract to "Holly Ann, LLC" and then instructed the attorney to create a fake "ready to record note and mortgage from Holly Ann, LLC for 600k" at the time of the closing (Attached as **Exhibit D**).

37. Upon information and belief, Johnson's counsel was unwilling to prepare or record the requested mortgage because she knew it was fraudulent, and further, knew that Holly Ann, LLC had not been loaned $600,000 from anyone.

38. No such mortgage was prepared or recorded by any licensed South Carolina attorney.

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39. Johnson ultimately closed on the property, but had the property titled in the name of Holly Ann, LLC, an LLC solely owned by his girlfriend, Defendant Holly Angel.

40. This transfer was accomplished at a time when Johnson was fearful, insolvent, no consideration was given, there was a relationship between the transferor and transferee, there was a threat and pending litigation, the transfer was concealed, the transfer was a departure from the usual method of business of all parties, the transfer transferred the entire interest in the property, and there were and are reservations of benefits and possession of the property.

41. This was a fraudulent conveyance, which should be set aside by this Court.

42. Because Holly Angel was well known as Johnson's live-in girlfriend, and because Holly Angel was publicly known as the registered agent for service of process on file with the South Carolina Secretary of State office, Johnson took additional steps to fraudulently conceal his relationship with Holly Ann, LLC.

43. On December 2, 2021, the same day as the closing on the Harbourside property and just before the deed for the property was recorded, Johnson and Holly Angel conspired with one another to fraudulently change the registered agent for Holly Ann, LLC with the S.C. Secretary of State from Holly Angel to "Emily Higgins." See **Exhibit E**.

44. Upon information and belief, Emily Higgins never agreed to serve as the registered agent for Holly Ann, LLC and was never told that she was going to be named as the registered agent.

45. While the December 2, 2021 filing with the S.C. Secretary of State for Holly Ann, LLC shows Emily Higgins signed the document, Holly Angel recently admitted that she forged Emily Higgins name on the document and then filed it with the Secretary of State. See **Exhibit F**.

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46. The filing also represented that Emily Higgins was a "member" of Holly Ann, LLC, which was also not true and further a fraudulent misrepresentation. See **Exhibit E**.

47. To compound their fraudulent behavior, Johnson and Holly Angel then changed the Holly Ann, LLC address on file with the S.C. Secretary of State from a "Hilton Head" address to "14 Phillips Ave, Travelers Rest, SC 29690," which is an address Johnson thought would further hide his connection to Holly Ann, LLC. See **Exhibit E**.

48. As more fraud, Emily Higgins does not live at 14 Phillips Ave, Travelers Rest, SC 29690 yet Johnson and Angel fraudulently represented that she did.

49. In any event, all of these changes were made to further hide and fraudulently distance Johnson and his traceable holdings from Plaintiff, and should all be set aside by the Court.

Fraudulent Transfer/Equity Stripping Transaction No. 2

50. At the time the Lawsuit was filed, Johnson and Halpern jointly owned a 9.69-acre property with an address of 197 Buck Island Rd., Bluffton, SC 29910 as tenants in common, each owning a fifty percent (50%) interest in the property. See **Exhibit G.**

51. Fearful of Plaintiff's Lawsuit and knowing that Plaintiff would obtain a multi-million-dollar judgment against Johnson and take possession, assert a lien against, and ultimately sell any property owned by Johnson to satisfy the judgment, Johnson engaged in a scheme to fraudulently transfer his interest in this property out of his individual name.

52. Halpern helped Johnson, and upon information and belief, knew of the purpose and goal of Johnson's scheme.

53. On January 28, 2022, Johnson and Halpern both signed documents transferring their interest in the 9.69-acre property to Belmont Properties, LLC (Book 4111 at Page 66). See **Exhibit H**.

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54. Belmont Properties, LLC is an entity believed to be owned solely by Halpern.

55. No consideration or nominal consideration was given for the transfer, which was not accomplished in good faith, at arm's length, or for value.

56. In addition, this transfer was accomplished at a time when Johnson was fearful, insolvent, no consideration was given, there was a relationship between the transferor and transferee, there was a threat and pending litigation, the transfer was concealed, the transfer was a departure from the usual method of business of all parties, the transfer transferred the entire interest in the property, and there were and are reservations of benefits and possession of the property.

57. This transaction is fraudulent and should be set aside, and a judgment should be entered against Johnson and Halpern for conspiring with one another to commit this illegal act.

Fraudulent Transfer/Equity Stripping Transaction No. 3

58. At the time the Lawsuit was filed, Johnson owned numerous parcels of real property individually in Beaufort and other counties which he refers to as the "Gary Johnson Land Portfolio."

59. Johnson was fearful of Plaintiff's lawsuit, knew it would result in a multi-million-dollar judgment being entered against him, and knew Plaintiff would liquidate Johnson's holdings to satisfy the judgment.

60. On August 16, 2022, a mortgage was recorded in favor of Orange Capital LLC (Nevis), in Book 4174 at Page 23, in which Johnson purports to give a mortgage in the amount of $1,000,000.00 to "Orange Capital LLC (Nevis)" purportedly in exchange for an "equity line of credit" in the amount of "$1,000,000" that Orange Capital, LLC (Nevis) extended to Johnson. See **Exhibit I**.

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61. The mortgage purports to encumber the following properties in the Gary Johnson Land Portfolio in favor of Orange Capital, LLC (Nevis):

1040 Motion Street, N. Augusta, SC 29841
Property ID: 0011-17-08-016

51 Bryant Road, Hilton Head, SC 29926
TMS: R510 010 000 032A 0000

42 Ballfield Road, Bluffton, SC 29910
TMS: R610 031 000 0078 0000

133 Horse Island Drive, St. Helena, SC 29920
TMS: R300 018 00A 0074 0000

785 Haig Point Road, Daufuskie, SC 29915
TMS: R800 025 000 007A 0000

75 Wildhorse Road, Hilton Head, SC 29926
TMS: R510 007 000 046J 0000

12 Acres Maryfield Subdivision, Daufuskie, SC 29915
TMS: R800 024 000 0025 0000

8 Maryfield Court, Daufuskie, SC 29915
TMS: R800 020 00A 045 0000

62. These properties are all of the real properties owned by Johnson individually, except for two which are addressed below.

63. Orange Capital, LLC (Nevis) is a fraudulent entity created by Johnson or at his direction for the purpose of furthering his fraudulent scheme, and the entity has not loaned any money or extended any credit to Johnson in good faith.

64. In fact, Johnson himself prepared and filed the mortgage on behalf of Orange Capital, LLC (Nevis) and had the recorded mortgage returned directly to him, in Hilton Head, after it was filed with the Beaufort County Register of Deeds Office. See **Exhibit I**.

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65. This transfer was accomplished at a time when Johnson was insolvent, no consideration was given for the transfer, there was a relationship between the transferor and transferee, there was a threat and pending litigation against Johnson, the transfer was concealed, the transfer was a departure from the usual method of business of Johnson and Orange Capital, LLC (Nevis), the transfer transferred Johnson's entire interest in the properties, and the transfers were all accomplished with a reservations of benefits and possession of the property to Johnson.

66. This mortgage was fraudulent and should be set aside.

Fraudulent Transfer/Equity Stripping Transaction No. 4

67. At the time the Lawsuit was filed, Johnson owned two (2) adjoining properties on Wild Horse Rd. in Hilton Head, SC with TMS numbers R510 007 000 016D 0000 and R510 007 000 0299 0000. Johnson had a plat of the properties prepared that shows the total acreage is 2.34 acres. The plat is recorded in the Office of the Beaufort County Register of Deeds in Plat Book 122 at Page 52. See **Exhibit J**.

68. On August 16, 2022, a mortgage was recorded in favor of Orange Capital, LLC (Nevis) at Book 4174 at Page 90 in which Johnson purports to give a mortgage of $650,000.00 to Orange Capital LLC (Nevis) purportedly in exchange for an "equity line of credit" in the amount of "$650,000" that Orange Capital, LLC (Nevis) extended to Johnson. See **Exhibit K**.

69. Orange Capital, LLC (Nevis) is a fraudulent entity created by Johnson for the purpose of furthering his scheme, and further, has not loaned any money or extended any credit to Johnson.

70. In fact, Johnson prepared and filed the mortgage on behalf of Orange Capital, LLC (Nevis) and had the recorded mortgage returned directly to him in Hilton Head. See **Exhibit K**.

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71. This transfer was accomplished at a time when Johnson was insolvent, no consideration was given for the transfer, there was a relationship between the transferor and transferee, there was a threat and pending litigation against Johnson, the transfer was concealed, the transfer was a departure from the usual method of business of Johnson and Orange Capital, LLC (Nevis), the transfer transferred Johnson's entire interest in the properties, and the transfers were all accomplished with a reservations of benefits and possession of the property to Johnson.

72. This mortgage was fraudulent and should be set aside.

Fraudulent Transfer/Equity Stripping Transaction No. 5

73. With respect to transaction No. 1 above, Johnson attempted to fraudulently encumber the Harbourside property in favor of Orange Capital, LLC (Nevis).

74. On August 16, 2022, a mortgage was recorded at Book 4174 at Page 74 in which Holly Ann, LLC, acting through Johnson, gave a mortgage of $650,000.00 to Orange Capital, LLC (Nevis). See Exhibit L.

75. The mortgage was fraudulently executed by Johnson as the "managing member" of Holly Ann LLC and purports to encumber Harbourside in favor of Orange Capital, LLC (Nevis).

76. However, accordingly to Holly Angel, a) Johnson has never served as the managing member of Holly Ann, LLC, b) Johnson never had authority to sign or otherwise act on behalf of Holly Ann, LLC, and c) no entity has ever loaned $650,000 to Holly Ann, LLC. (See **Exhibit M**, Deposition Pgs. 35 – 36 and 83-86).

77. Orange Capital, LLC (Nevis) is a fraudulent entity created by Johnson or at his direction, for the purpose of furthering his fraudulent scheme and the entity has not loaned any money or extended any credit to Johnson or Holly Ann, LLC.

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78. In fact, Johnson prepared and filed the mortgage on behalf of Orange Capital, LLC (Nevis) and had the recorded mortgage returned directly to him in Hilton Head. See **Exhibit L**.

79. This transfer was accomplished at a time when Holly Ann, LLC was insolvent, no consideration was given for the transfer, there was a relationship between the transferor and transferee, there was a threat and pending litigation against Johnson, the transfer was concealed, the transfer was a departure from the usual method of business of Johnson, Holly Ann, LLC, and Orange Capital, LLC (Nevis), the transfer transferred Johnson's entire interest in the properties, and the transfers were all accomplished with a reservation of benefits and possession of the property to Johnson.

80. This mortgage was fraudulent and should be set aside.

Fraudulent Transfer/Equity Stripping Transaction No. 6

81. Johnson owned a parcel of property located at 109 Sandcastle Court, Hilton Head, SC 29926 (a/k/a Lot 41 Sandcastle), which Johnson held in an entity named Shoreline Funding, LLC, which is wholly owned by Johnson. See **Exhibit N**.

82. In fact, Johnson formed Shoreline Funding, LLC on the same day as Island Funding, LLC and actually used money he stole from 30 Haul Away, LLC to pay the formation fees for both entities. See **Exhibit O**.

83. On August 16, 2022, a mortgage was recorded at Book 4174 at Page 58 in which Shoreline Funding LLC gave a mortgage of $650,000.00 to Orange Capital, LLC (Nevis). See **Exhibit P**.

84. The mortgage was executed by Johnson as the "managing member" of Shoreline Funding, LLC. See **Exhibit P**.

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85. Orange Capital, LLC (Nevis) is a fraudulent entity created by Johnson for the purpose of furthering his scheme and Orange Capital, LLC (Nevis) did not loan any money or extend any credit to Johnson or Shoreline.

86. In fact, Johnson prepared and filed the mortgage on behalf of Orange Capital, LLC (Nevis) and had it returned directly to him in Hilton Head. See **Exhibit P**.

87. This transfer was accomplished at a time when Johnson and Shoreline were insolvent, no consideration was given for the transfer, there was a relationship between the transferor and transferee, there was a threat and pending litigation against Johnson and Shoreline, the transfer was concealed, the transfer was a departure from the usual method of business of Johnson, Shoreline, LLC, and Orange Capital, LLC (Nevis), the transfer transferred Johnson's entire interest in the properties, and the transfers were all accomplished with a reservation of benefits and possession of the property to Johnson.

88. This mortgage was fraudulent and should be set aside.

Fraudulent Transfer/Equity Stripping Transaction No. 7

89. Johnson and Halpern owned a parcel of property mentioned in No. 2 above, which they transferred to Belmont Properties, LLC for no consideration or nominal consideration.

90. On August 16, 2022, a mortgage was recorded in Book 4174 at Page 42 in which Belmont Properties LLC gave a mortgage of $300,000.00 to Orange Capital, LLC (Nevis). See **Exhibit Q**.

91. The mortgage was executed by Stephen Halpern as the "managing member" of Belmont Properties, LLC and encumbers the property previously deeded by Halpern and Johnson to Belmont Properties, LLC in January of 2022 and located at 197 Buck Island Rd., Bluffton, SC 29910.

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92. Orange Capital, LLC (Nevis) is a fraudulent entity created by Johnson for the purpose of furthering his fraudulent scheme and has not loaned any money or extended any credit to Johnson or Belmont Properties, LLC.

93. In fact, Johnson prepared and filed the mortgage on behalf of Orange Capital, LLC (Nevis) and had it returned directly to him in Hilton Head. See **Exhibit Q**.

94. This transfer was accomplished at a time when Johnson was fearful, insolvent, no consideration was given, there was a relationship between the transferor and transferee, there was a threat and pending litigation against Johnson, the transfer was concealed, the transfer was a departure from the usual method of business of all parties, the transfer transferred the entire interest in the property, and there were and are reservations of benefits and possession of the property.

95. This mortgage was fraudulent and should be set aside.

96. All the Defendants, upon information and belief, knew about the Lawsuit and further knew that Johnson was orchestrating the transactions to harm Plaintiff.

97. Defendants entered into agreements with Johnson to enrich themselves with funds and assets that belong to Plaintiff.

98. If Johnson is not stopped by this Court, he will engage in additional fraudulent transactions in an effort to prevent justice from being served.

FOR A FIRST CAUSE OF ACTION
(TRO, Injunction, Receiver)
As to All Defendants

99. All allegations set forth above are incorporated herein and are repeated verbatim.

100. The Court should grant a Temporary Restraining Order and then an Injunction to temporarily enjoin Gary Johnson and the other Defendants from hiding, concealing,

misappropriating, selling, encumbering, transferring, or otherwise impairing the value of and otherwise disposing of assets without approval of this Court.

101. In addition, the Court should grant Plaintiff an injunction maintaining the status quo until these matters can be resolved or determined by the Court.

102. The Court should also require all Defendants to immediately verify under oath all pertinent matters above and answer all questions from the Court and Plaintiff related to the transactions set forth above.

103. The Court should also appoint a receiver for Gary Johnson and further should appoint a receiver to manage the assets at issue above.

104. The receiver should be granted, vested, imbued, and otherwise empowered with the exclusive power and authority as to all of Gary Johnson's assets (collectively, "the Subject Assets"), with the exclusive power and authority: (i) to investigate, identify and attempt to locate all of the Subject Assets; (ii) to collect, marshal and administer all of the Subject Assets; (iii) to accept service on behalf of Gary Johnson and related entities with respect to Gary's Johnson's assets ; (iv) to engage counsel on behalf of Gary Johnson as it relates to his assets, as the case may be; and (v) to take any and all steps necessary to identify, recover, protect, collect, preserve, receive, manage, liquidate, sell, administer and marshal, and to do all things incidental, necessary and/or appropriate thereto during the pendency and final resolution of this lawsuit and the Lawsuit.

105. The Court should appoint a receiver pursuant to S.C. Code § 15-65-10 to prevent Johnson and the Defendants from hiding, concealing, misappropriating, selling, encumbering, transferring, impairing the value of or otherwise disposing of any of assets that originated from Johnson or that Johnson may have an ownership interest in.

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106. The Court should require all Defendants to provide an accounting of their actions and transactions with Johnson and notify the Court of any future or proposed transaction, which should only be allowed to occur with the permission of this Court.

107. Plaintiff seeks any other equitable relief that the Court deems just and proper to accomplish the goal of identifying, protecting and preserving any and all assets of Johnson or any related entities.

FOR A SECOND CAUSE OF ACTION
(Statute of Elizabeth as to Defendants)

108. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove as if repeated hereafter verbatim.

109. During the pendency of Plaintiff's Lawsuit against Johnson, Johnson engaged in fraudulent transfers to conceal or encumber his assets and the assets of entities that he has an ownership interest in.

110. To prevent Plaintiff from collecting on a judgment in the Lawsuit, Johnson engaged in a scheme to hide and conceal his assets as set forth above.

111. The Court should set aside the following transactions:

a. By deed dated November 17, 2021 and recorded December 15, 2021, it appears Defendant Johnson used an entity named Holly Ann LLC to purchase property with an address of 17 Harbourside Lane, Apt 7118, Hilton Head, SC 29928 for $501,000.00 (Book 4094 at Page 1591) and all of the funds used to purchase the property came from Johnson individually.

b. On January 28, 2922, Defendants Johnson and Halpern transferred a 9.69-acre property located at 197 Buck Island Road that they owned 50/50 as tenants in common with a Beaufort County appraised value of $198,600.00 to Belmont Properties LLC for $10.00.

c. On August 16, 2022, a mortgage was recorded by Defendant Gary Johnson in which he gave a mortgage of $1,000,000.00 to Defendant Orange Capital LLC. The mortgage covers all properties, except two owned by Defendant Johnson

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individually in Beaufort County, South Carolina and one property located in in Aiken County, South Carolina.

d. On August 16, 2022, Defendant Johnson recorded a mortgage of $650,000.00 to Orange Capital LLC for his two remaining individually owned properties that were not encumbered by the $1,000,000.00 mortgage also given to Defendant Orange Capital LLC.

e. On August 16, 2022, Defendant Johnson recorded a mortgage in which Holly Ann, LLC gave a mortgage of $650,000.00 to Defendant Orange Capital LLC. Defendant Johnson fraudulently executed this mortgage as the managing member of Holly Ann LLC and the mortgage encumbers the property purchased in December of 2021 located at 17 Harbourside Lane, Apt 7118, Hilton Head, South Carolina.

f. On August 16, 2022, Defendant Johnson recorded a mortgage in which Shoreline Funding, LLC gave a mortgage of $650,000.00 to Defendant Orange Capital LLC. This mortgage encumbers his property located at 109 Sandcastle Court in Hilton Head, South Carolina.

g. On August 16 2022, Defendant Johnson recorded a mortgage in which Defendant Belmont Properties, LLC gave a mortgage of $300,000.00 to Defendant Orange Capital LLC. This mortgage was executed by Defendant Halpern as the managing member of Belmont Properties, LLC and it encumbers the property located at 197 Buck Island Road in Bluffton, South Carolina. This property had been deeded by Defendant Halpern and Johnson to Defendant Belmont Properties, LLC in January 2022.

112. At the time of the above referenced transactions, Defendant Johnson knew that it was likely that a substantial judgment would be entered against him.

113. Upon information and belief, Defendant Johnson has recorded and caused to be recorded mortgages to strip the equity from properties he owns to prevent Plaintiff from obtaining funds in satisfaction of any future judgment they may be awarded in the Lawsuit.

114. Upon information and belief, the mortgages recorded by Defendant Johnson and transfers of properties did not involve the exchange for valuable consideration.

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115. If consideration was exchanged, the property transfers and mortgages recorded by Defendant Johnson were made with the actual intent of defrauding Plaintiff and such intent is imputable to Defendants Johnson, Halpern and Angel.

116. Upon information and belief, as a result of the fraudulent transfers and mortgages, Defendant Johnson has failed to retain sufficient property/and or funds to pay any potential indebtedness to Plaintiff.

117. The transfers and mortgages between Defendants should be set aside and preserved in the event a judgment is entered against Defendant Johnson in the Lawsuit.

FOR A THIRD CAUSE OF ACTION
(Civil Conspiracy)

118. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove as if repeated here verbatim.

119. Plaintiff (or its predecessor in interest) entered into operating agreements with Johnson and expected Johnson to fulfill his fiduciary obligations under the agreements and the law. Due to Johnson's alleged breach of his fiduciary obligations, Plaintiff initiated a Lawsuit.

120. After filing the Lawsuit, Johnson engaged in a scheme to hide, divert and encumber his assets in order to delay, hinder, or defraud Plaintiff's collection efforts in the event a judgment was entered against him.

121. Johnson, Halpern and Angel conspired to hide Johnson's assets by diverting funds and property to LLCs owned by Defendants and/or managed by Defendants and further by assisting, aiding and abetting Johnson in breaching his fiduciary duties and by engaging in fraudulently transfers to hide and conceal assets from Plaintiff.

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122. Defendants' acts were intended to injure and harm Plaintiff so Defendants could divert Defendant's Funds for Johnson's own use and for uses that benefited Defendants.

123. Defendants' actions combined and concurred to cause Plaintiff actual, special and consequential damages for which all of the Defendants are jointly and severally liable.

124. By reason of their civil conspiracy against Plaintiff as alleged above, Defendants are jointly and severally liable to Plaintiff for actual, special, consequential, and punitive damages in an amount to be determined by the jury.

FOR A FOURTH CAUSE OF ACTION
(Constructive Trust)

125. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove as if repeated here verbatim.

126. Upon information and belief, Defendants are in possession of property and assets that do not rightfully belong to them and were obtained through Defendants' breach of trust as outlined above.

127. Defendants cannot retain the property in good conscience as Plaintiff is beneficially entitled to the property in question.

128. Accordingly, Plaintiff is entitled to the imposition of a constructive trust over all such property as outlined above.

FOR A FIFTH CAUSE OF ACTION
(Resulting Trust)

129. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove as if repeated here verbatim.

130. Upon information and belief, Defendants are in possession of property and assets that do not rightfully belong to them and were obtained through Defendants' breach of trust as

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outlined above.

131. Defendants cannot retain the property in good conscience as Plaintiff is beneficially entitled to the property in question.

132. Plaintiff (as the true and lawful payer of the purchase price for the property listed above) is entitled to be decreed the beneficiary of the items purchased.

133. Accordingly, Plaintiff is entitled to the imposition of a resulting trust over all such property as outlined above.

FOR A SIXTH CAUSE OF ACTION
(Accounting)

134. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove as if repeated here verbatim.

135. The Court should require all Defendants to provide an accounting of all transactions and other financial activities with Gary Johnson, and further, should require Gary Johnson to account for all of his assets and all transfers and transactions at issue.

136. Plaintiff requests an accounting from Johnson related to his real property, personal property, and personal assets and liabilities, and transactions related to entities he is associated with, all under penalty of perjury with associated power for contempt.

WHEREFORE, Plaintiff prays:

a) for a jury trial on all claims triable by jury and for all damages available under the law;

b) for an order appointing a receiver;

c) for an award of actual and punitive damages against Defendants in amounts to be determined at trial;

d) for a constructive and resulting trust in amounts to be determined at trial;

e) for an accounting;

f) for an award of attorney's fees and costs of this action;

g) for such other and further relief as may be just and proper under these circumstances.

TWENGE + TWOMBLEY LAW FIRM

BY: s/J. Ashley Twombley

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Beaufort, South Carolina

December 21, 2022

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2022-CP-07-____
Blue Bell Holdings, LLC, Plaintiff, vs. Gary C. Johnson; Stephen D. Halpern; Holly A. Angel; Holly Ann, LLC; Belmont Properties, LLC; the Johnson Halpern Partnership; Shoreline Funding, LLC; and Orange Capital, LLC (Nevis), Defendants.	)	**VERIFICATION**

PERSONALLY appeared before me, David A. Brosman, Manager of Blue Bell Holdings, LLC, who being duly sworn, deposes and says that Blue Bell Holdings, LLC is the Plaintiff in the foregoing action; that he has read the foregoing Verified Complaint and the same is true of his own knowledge, save and except any matters therein alleged upon information and belief, and as to those matters, he verily believes them to be true.

BLUE BELL HOLDINGS, LLC

By: David A. Brosman

David A. Brosman

Its: Manager

SWORN to and subscribed before me this 21 day of December 2022.

Notary Public for South Carolina

My Commission Expires: ~~June 15, 2027~~ July 24, 2028

IVAN LAZOVIC NOTARY PUBLIC SOUTH CAROLINA MY COMMISSION EXPIRES JULY 24, 2028

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OPERATING AGREEMENT

OF

30 Haul Away LLC

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Operating Agreement

of

30 Haul Away LLC

This Operating Agreement of 30 Haul Away LLC (the "Company") dated as of the 21st day of May, 2009, is (a) adopted by the Members (as defined below) and (b) executed and agreed to, for good and valuable consideration, by the Members.

ARTICLE I
DEFINITIONS

As used in this Operating Agreement, the following terms have the following meanings:

A. **"Act"** means the Uniform Limited Liability Company Act of 1996 and any successor statute as amended from time to time.

B. **"Articles"** means the Articles of Organization filed with the Secretary of State of South Carolina by which 30 Haul Away, LLC was organized as a South Carolina Limited Liability Company under and pursuant to the Act.

C. **"Bankrupt Member"** means a Member who is the subject of an order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application or a comparable order under federal, state, or foreign law governing insolvency and has the same meeting as the term "Debtor in Bankruptcy" defined in § 33-44-101(4) of the Act.

D. **"Business Day"** means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of South Carolina are closed.

E. **"Capital Contribution"** means any contribution by a Member to the capital of the Company.

F. **"Code"** means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

G. **"Company"** means 30 Haul Away LLC, a South Carolina Limited Liability Company.

H. **"Company Liability"** means any enforceable debt or obligation for which the Company is liable or which is secured by any Company Property.

I. **"Company Minimum Gain"** means an amount determined by first computing for each Company Nonrecourse Liability any gain the Company would realize if it disposed of the Company Property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Company Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any taxable year, the net increase or decrease in Company Minimum Gain is determined by comparing the Company Minimum Gain on the last day of the immediately preceding taxable year with the Minimum Gain on the last day of the current taxable year. Notwithstanding any provision to the

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contrary contained herein, Company Minimum Gain and increases and decreases in Company Minimum Gain are intended to be computed in accordance with § 704 of the Code and the Regulations issued thereunder, as the same may be issued and interpreted from time to time. A Member's share of Company Minimum Gain at the end of any taxable year equals; the sum of Nonrecourse Deductions allocated to that Member (and to that Member's predecessors in interest) up to that time and the distributions made to that Member (and to that Member's predecessors in interest) up to that time of proceeds of a nonrecourse liability allocable to an increase in Company Minimum Gain minus the sum of that Member's (and that Member's predecessors' in interest) aggregate share of the net deceases in Company Minimum Gain plus their aggregate share of decreases resulting from revaluations of Company Property subject to one or more Company Nonrecourse Liabilities.

J. **"Company Nonrecourse Liability"** means a Company Liability to the extent that no Member or related person bears the economic risk of loss (as defined in § 1.752-2 of the Regulations) with respect to the liability.

K. **"Default Interest Rate"** means a rate per annum equal to the lesser of (a) **one percent (1.0%)** plus a varying rate per annum that is equal to the *Wall Street Journal* prime rate as quoted in the money rates section of the *Wall Street Journal* which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

L. **"Delinquent Member"** means a Member who does not contribute by the time required all or any portion of a Capital Contribution that Member is required to make as provided in this Operating Agreement.

K. **"Dispose," "Disposing," or "Disposition"** means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

M. **"Distributional Interest"** means all of a Member's interest in distributions by the Company.

N. **"General Interest Rate"** means a rate per annum equal to the lesser of (a) the *Wall Street Journal* prime rate as quoted in the money rates section of the Wall Street Journal which is also the base rate on corporate loans at large United States Money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

O. **"Lending Member"** means those Members, whether one or more, who advance the portion of the Delinquent Member's Capital Contribution that is in default.

P. **"Majority in Interest"** means the majority vote of both those Members owning a majority of the capital and those Members owning a majority of the Net Profits and the Net Loses of the Company.

Q. **"Member"** means any Person executing the Articles, this Operating Agreement, or hereafter admitted to the Company as a Member as provided in this Operating Agreement, but does not include any Person who has ceased to be a Member in the Company.

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R. **"Member Minimum Gain"** means an amount determined by first computing for each Member Nonrecourse Liability any gain the Company would realize if it disposed of the Company property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Member Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any taxable year, the net increase or decrease in Member Minimum Gain is determined by comparing the Member Minimum Gain on the last day of the immediately preceding taxable year with the Minimum Gain on the last day of the current taxable year. Notwithstanding any provision to the contrary contained herein, Member Minimum Gain and increases and deceases in Member Minimum Gain are intended to be computed in accordance with § 704 of the Code or the Regulations issued thereunder, as the same may be issued and interpreted from time to time.

S. **"Member Nonrecourse Liability"** means any Company Liability to the extent of liability is nonrecourse under state law, and on which a Member or related person bears the economic risk of loss under § 1.752-2 of the Regulations because, for example, the Member or related person is the creditor or a guarantor.

T. **"Membership"** means any Member's interest in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve.

U. **"Net Losses"** means the losses and deductions of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate, as appropriate, on the tax return of the Company filed for federal income tax purposes.

V. **"Net Profits"** means the income and gains of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate as appropriate on the tax return of the Company filed for federal income tax purposes.

W. **"Nonrecourse Liabilities"** means Company Nonrecourse Liabilities and Member Nonrecourse Liabilities.

X. **"Offsettable Decrease"** means any allocation that unexpectedly causes or increases a deficit in the Member's Capital Account as of the end of the taxable year to which the allocation relates attributable to depletion allowances under § 1.704(b)(2)(iv)(k) of the Regulations, allocations of loss and deductions under §§ 704(e)(2) or 706 of the Code or under § 1.751-1 of the Regulations, or distributions that, as of the end of the year are reasonably expected to be made to the extent they exceed the offsetting increases to such Member's Capital Account that reasonably are expected to occur during or (prior to) the taxable years in which such distributions are expected to be made (other than increases pursuant to a Minimum Gain Chargeback).

Y. **"Operating Agreement"** has the meaning given that term in the introductory paragraph.

Z. **"Person"** includes an individual, partnership, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity.

AA. **"Proceeding"** means any threatened, pending or completed action, suit or

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proceeding, whether civil, criminal, administrative, arbitrative or investigative.

BB. **"Property"** means the vehicles, equipment, and other items of personal property and real property owned or to be acquired by the Company and utilized in the Company's business.

CC. **"Required Interest"** means (100%) percent of all Members.

Other terms defined herein have the meanings so given them.

ARTICLE II
ORGANIZATION

2.1 Formation.

The Company has been organized as a South Carolina Limited Liability Company by the filing of Articles pursuant to the Act and the issuance of a certificate of organization for the Company by the Secretary of State of South Carolina.

2.2 Name.

The name of the Company is 30 Haul Away LLC, and all Company business must be conducted in that name or such other names that comply with applicable law as the Members may select from time to time.

2.3 Registered Office.

The registered office of the Company required by the Act to be maintained in the State of South Carolina shall be the office of the initial registered agent named in the Articles or such other office (which need not be a place of business of the Company) as the Members, may designate from time to time in the manner provided by law.

2.4 Registered Agent.

The registered agent of the Company in the State of South Carolina shall be the initial registered agent named in the Articles or such other Person or Persons as the Members, may designate from time to time in the manner provided by law.

2.5 Principal office in the United States other offices.

The principal office of the Company in the United States shall be at such place as the Members, may designate from time to time, which need not be in the State of South Carolina. The Company may have such other offices as the Members, may designate from time to time.

2.6 Purposes.

The purposes of the Company are to acquire, develop, manage, rent, market and sell real property.

2.7 Foreign qualification.

Prior to the Company's conducting business in any jurisdiction other than South Carolina, the Members shall cause the Company to comply, to the extent procedures are available and those

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matters are reasonably within the control of the Members, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Members, each Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Operating Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.8 Term.

The Company commenced on the date the Articles were filed with the Secretary of State of South Carolina for the Company and shall continue in existence for the period fixed in the Articles for the duration of the Company, or such earlier time as this Operating Agreement may specify.

2.9 Mergers.

The Company may merge with another business entity subject to the requirements of Sections 33-44-904 through 33-44-907 of the Act.

2.10 No state-law partnership.

The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member, for any purposes other than federal and state tax purposes, and this Operating Agreement may not be construed to suggest otherwise.

ARTICLE III
MEMBERS

3.1 Admission of members.

A. After the formation of this Company, a person becomes a new Member:

(1) in the case of a person acquiring a Membership directly from this Company, on compliance with the provisions of Section 3.2 and 3.4 of this Agreement governing admission of new Members or, if this Operating Agreement contains no relevant admission provisions, on the written consent of all Members; and

(2) in the case of an assignee of a Membership if there is the consent of all of the Members at the time of the assignment to permit the admission of a substituted Member pursuant to § 33-44-503.

B. Any person may be a Member unless the person lacks capacity apart from the Act.

3.2 Representations and warranties.

Each Member hereby represents and warrants to the Company and each other Member that (a) if that Member is a corporation, it is duly organized, validly existing and in good standing under the law of the state of its incorporation and is duly qualified and in good standing as a foreign corporation in the jurisdiction of its principal place of business (if not incorporated therein); (b) if that Member is a limited liability company, it is duly organized, validly existing, and (if applicable)

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in good standing under the law of the state of its organization and is duly qualified and (if applicable) in good standing as a foreign limited liability company in the jurisdiction of its principal place of business (if not organized therein); (c) if that Member is a partnership, trust, or other entity, it is duly formed, validly existing, and (if applicable) in good standing under the law of the state of its formation, and if required by law is duly qualified to do business and (if applicable) in good standing in the jurisdiction of its principal place of business (if not formed therein), and the representations and warranties in clause (a), (b), or (c), as applicable, are true and correct with respect to each partner (other than limited partners), trustee, or other Member thereof, (d) that Member has full corporate, limited liability company, partnership, trust, or other applicable power and authority to execute and agree to this Operating Agreement and to perform obligations hereunder and all necessary actions by the board of directors, shareholders, manager, members, partners, trustees, beneficiaries, or other Persons necessary for the due authorization, execution, delivery, and performance of this Operating Agreement by that Member have been duly taken; (e) that Member has duly executed and delivered this Operating Agreement; and (f) that Member's authorization, execution, delivery, and performance of this Operating Agreement do not conflict with any other agreement or arrangement to which that Member is a party or by which it is bound.

3.3 Restrictions on the disposition of a membership.

A. Membership and transferability of Memberships in the Company are substantially restricted. Neither record title nor beneficial ownership of a Membership may be transferred or encumbered without the consent of all of the Members at the time of transfer. An unauthorized transfer of a Membership could create a substantial hardship to the Company and jeopardize its capital base. These restrictions upon ownership and transfer are not intended as a penalty, but as a method to protect and preserve existing relationships based upon trust and the Company's capital and its financial ability to continue.

A Disposition of a Membership in the Company may not be effected without the consent of all of the Members at the time of Disposition. Any attempted Disposition by a Person of an interest or right in or in respect of the Company other than in accordance with this section shall be, and is hereby declared, null and void ab initio.

An assignee who becomes a Member has, to the extent assigned, the rights and powers and is subject to the restrictions and liabilities of a Member under this Operating Agreement and the Act. Unless otherwise provided by this Operating Agreement, an assignee who becomes a Member also is liable for the obligations of the assignor to make contributions but is not obligated for liabilities unknown to the assignee at the time the assignee became a Member and which could not be ascertained from this Operating Agreement. Whether or not an assignee of a Membership becomes a Member, the assignor is not released from the assignor's liability to this Company.

B. Subject to the provisions of the following section, (i) a Person to whom a Membership in the Company is transferred has the right to be admitted to the Company as a Member with the interest in Net Profits, Net Losses, and capital so transferred to such Person, if (A) the Member making such transfer grants the transferee the right to be so admitted, and (B) such transfer is consented to in accordance with this section.

C. The Company may not recognize for any purpose any purported Disposition of a Membership unless and until the other applicable provisions of this section have been satisfied and the Members, have received, on behalf of the Company, a document (i) executed by both the Member effecting the Disposition (or if the transfer is on account of the death, incapacity, or liquidation of the transferor, his representative) and the Person to which the Membership is Disposed, (ii) including the notice address of any Person to be admitted to the Company as a

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Member and its agreement to be bound by this Operating Agreement in respect of the Membership being obtained, (iii) setting forth the percentage interest in Net Profits, Net Losses and capital after the Disposition by the Member effecting the Disposition and the Person to which the Membership is Disposed (which together must total the percentage interest in Net Profits, Net Losses and capital of the Member effecting the Disposition before the Disposition), and (iv) containing a representation and warranty that the Disposition was made in accordance with all applicable laws and regulations (including securities laws) and, if the Person to which the Membership is Disposed is to be admitted to the Company, its representation and warranty that the representations and warranties in this Operating Agreement are true and correct with respect to that Person. Each Disposition and, if applicable, admission complying with the provisions of this section is effective as of the first day of the calendar month immediately succeeding the month in which the Members receive the notification of Disposition and the other requirements of this section have been met.

D. For the right of a Member to Dispose of a Membership or of any Person to be admitted to the Company in connection therewith to exist or be exercised, (i) either (A) the Membership subject to the Disposition or admission must be registered under the Securities Act of 1933, as amended, and any applicable state securities laws or (B) the Company must receive a favorable opinion of the Company's legal counselor or other legal counsel acceptable to a Required Interest of its Members, to the effect that the Disposition or admission is exempt from registration under those laws and (ii) the Company must receive a favorable opinion of the Company's legal counsel or of other legal counsel acceptable to a Required Interest of its Members, to the effect that the Disposition or admission, when added to the total of all other sales, assignments, or other Dispositions within the preceding 12 months, would not result in the Company's being considered to have terminated within the meaning of the Code. The Members, however, may waive the requirements of this sub-part of this section.

E. The Member effecting a Disposition and any Person admitted to the Company in connection therewith shall pay, or reimburse the Company for, all costs incurred by the Company in connection with the Disposition or admission (including, without limitation, the legal fees incurred in connection with the legal opinions referred above) on or before the tenth day after the receipt by that Person of the Company's invoice for the amount due. If payment is not made by the date due, the Person owing that amount shall pay interest on the unpaid amount from the date due until paid at a rate per annum equal to the Default Interest Rate.

3.4 Additional Members.

Additional Persons may be admitted to the Company as Members and Memberships may be created and issued to those Persons and to existing Members at the direction of a Required Interest of Members, on such terms and conditions as the Required Interest may determine at the time of admission. The terms of admission or issuance must specify the percentage of Net Profit, Net Loss, allocable to such Person and the Capital Contribution applicable thereto and may provide for the creation of different classes or groups of Members and having different rights, powers, and duties. A Required Interest shall reflect the creation of any new class or group in an amendment to this Operating Agreement indicating the different rights, powers, and duties. Any such admission also must comply with the requirements described elsewhere in this Operating Agreement and is effective only after the new Member has executed and delivered to the Company, as appropriate, a document including the new Member's notice address, its agreement to be bound by this Operating Agreement, and its representation and warranty that the representation and warranties required of new Members are true and correct with respect to the new Member. Notwithstanding the foregoing, the Members of the Company shall have a preemptive right to acquire additional, newly created Memberships of the Company, or securities of the Company convertible into or carrying a right to subscribe to or acquire Memberships, except to the extent limited or denied by this Operating Agreement or the

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Articles.

3.5 Interests in a member.

A Member that is not a natural person may not cause or permit an interest, direct or indirect, in itself to be Disposed of such that after the Disposition, (a) the Company would be considered to have terminated within the meaning of section 708 of the Code or (b) without the consent of a Required Interest that Member shall cease to be controlled by substantially the same Persons who control it as of the date of its admission to the Company. On any breach of the provisions of clause (b) of the immediately preceding sentence, the Company shall have the option to buy, and on exercise of that option the breaching Member shall sell, the breaching Member's Membership all in accordance with Section 3.24.

3.6 Information.

A. In addition to the other rights specifically set forth in this Operating Agreement, each Member is entitled to all information to which that Member is entitled to have access pursuant to Section 33-44-408 of the Act under the circumstances and subject to the conditions therein stated. The Members agree, however, that a Required Interest from time to time may determine, due to contractual obligations, business concerns, or other considerations, that certain information regarding the business affairs, properties, and financial condition of the Company should be kept confidential and not provided to some or all other Members, and that it is not just or reasonable for those Members or assignees or representatives thereof to examine or copy that information.

B. The Members acknowledge that from time to time, they may receive information from or regarding the Company in the nature of trade secrets or that otherwise is confidential, the release of which may be damaging to the Company or Persons with which it does business. Each Member shall hold in strict confidence any information it receives regarding the Company that is identified as being confidential (and if that information is provided in writing, that is so marked) and may not disclose it to any Person other than another Member, except for disclosures (i) compelled by law (but the Member must notify a Required Interest, as appropriate, promptly of any request for that information, before disclosing it, if practicable), (ii) to advisers or representatives of the Member or Persons to which that Member's Membership may be Disposed as permitted by this Operating Agreement, but only if the recipients have agreed to be bound by the provisions of this section or (iii) of information that Member also has received from a source independent of the Company that the Member reasonably believes obtained that information without breach of any obligation of confidentiality. The Members acknowledge that breach of the provisions of this section may cause irreparable injury to the Company for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Members agree that the provisions of this section may be enforced by specific performance.

3.7 Liabilities to third parties.

Except as otherwise expressly agreed in writing, no Member shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

3.8 Withdrawal.

No Member may withdraw from the Company as a Member prior to the date specified in the Articles of Organization for dissolution of the Company.

3.9 Classes and voting.

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Unless the Articles state to the contrary or as provided by this Operating Agreement two or more classes or groups of one or more Members is established, there shall be one class of Members. The Articles or any amendments thereof or by a two-thirds vote of the Members of this Company at a duly authorized annual or special meeting may elect to establish two or more classes or groups of one or more Members. In the event of the establishment of two or more classes or groups of one or more Members, then the following provisions shall apply:

A. The rights, powers, or duties of a class or group may be senior to those of one or more existing classes or groups of Members.

B. If two or more classes or groups of one or more Members are established, then each class or group of Members, as far as waiver of notices, action by consent without a meeting, establishment of a record date, quorum requirements, voting in person or by proxy, or any other matter relating to the exercise of the right to vote, shall be governed by the same provisions of this Operating Agreement as pertain to one class or group of Members.

C. Prompt notice of the taking of an action under this Operating Agreement that require less than unanimous written consent of the Members and that may be taken without a meeting shall be given to the Members who have not consented in writing to the taking of the action.

D. For the purposes of this section, the taking of an action includes amending this Operating Agreement or creating, under provisions of this Operating Agreement, a class of Membership that was not previously outstanding.

3.10 Place and manner of meeting.

All meetings of the Members shall be held at such time and place, within or without the State of South Carolina, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Members may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.11 Conduct of meetings.

All meetings of the Members shall be presided over by the Chairman of the meeting, who shall be a Member (or representative thereof) designated by a Required Interest. The chairman of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order.

3.12 Annual meeting.

The annual meeting of the Members for the transaction of all business which may come before the meeting shall be held on the **first tuesday of May** in each year (if not a legal holiday and, if a legal holiday, then on the next business day following) at the hour specified in the notice of the meeting. If the annual meeting is not held on the date above specified, the Members shall cause a special meeting of the Members in lieu thereof to be held as soon thereafter as convenient, and any

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business transacted or election held at that meeting shall be as valid as if held at the annual meeting. Failure to hold the annual meeting at the designated time shall not work a dissolution of the Company.

3.13 Voting lists.

The manager, officer, or agent having charge of the records reflecting the Membership of each Member of each class, if more than one class, shall make, at least ten (10) days before each meeting of Members, a complete list of the Members, entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order with the address of and percentage of Membership of each Member of each class, if more than one class, which list, for a period of ten (10) days prior to such meeting, shall be kept on file at the registered office of the Company and shall be subject to inspection by any Member at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any Member during the whole time of the meeting. The original records reflecting the Membership of each Member of each class, if more than one class, shall be prima-facie evidence as to who are the Members entitled to examine such list or records or to vote at any meeting of Members. Failure to comply with the requirements of this Article shall not affect the validity of any action taken at such meeting.

3.14 Special meetings.

Special meetings of the Members may be called at any time by the holders of at least forty-nine percent (49%) of the Members entitled to vote at such meeting. Such request shall state the purpose or purposes of such meeting and the matters proposed to be acted on thereat.

3.15 Notice.

Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten nor more than sixty days before the date of the meeting either personally or by mail, or at the direction of the officer or person calling the meeting, to each Member entitled to vote at the meeting, provided that such notice may be waived as provided in this Operating Agreement. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his address as it appears on the records of the Company, with postage thereon prepaid. Any notice required to be given to any Member hereunder or under the Articles of Organization need not be given to the Member if (A) notice of two consecutive annual meetings of the Company and all notices of meetings held during the period between those annual meetings, if any, or (B) all (but in no event less than two) payments (if sent by first class mail) of distributions during a twelve-month period have been mailed to that person, addressed at his address as shown on the records of the Company, and have been returned undeliverable. Any action or meeting taken or held without notice to such person shall have the same force and effect as if the notice had been duly given.

3.16 Quorum of members.

Unless otherwise provided in the Articles, the holders of all of the Memberships entitled to vote, represented in person or proxy, shall constitute a quorum at a meeting of Members. The vote of the holders of all of the Memberships entitled to vote for each class, if more than one class, and thus represented at a meeting at which a quorum is present shall be the act of the Members' meeting, unless the vote of a greater number is required by law, the Articles or this Operating Agreement.

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3.17 Majority vote; withdrawal of quorum.

With respect to any matter when a quorum is present at any meeting, the vote of the holders of one hundred percent (100%) of the Memberships, present in person or represented by proxy, having voting power with respect to that matter, shall decide such matter brought before such meeting, unless the matter is one upon which, by express provision of the Articles or this Operating Agreement, or by any express provision of the statutes which is applicable to such vote unless overridden by the Articles, a different vote is required, in which case such express provision shall govern and control the decision of such matter. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

3.18 Voting of membership.

Except as otherwise provided in the Act, each outstanding Member, regardless of class, shall be entitled to one vote on each matter submitted to a vote of Members, except to the extent that the voting rights of the Member of any class or classes are limited or denied by the Articles or by this Operating Agreement.

On each matter submitted to a vote of the Membership (as opposed to a vote of the Members) each outstanding Membership shall be entitled to vote its percentage interest in the Company as set forth in Section 5.1 of this Operating Agreement.

Memberships owned by another limited liability company or corporation, the majority of the Memberships or voting stock of which is owned or controlled by this Company, and Memberships held by this Company in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total Memberships at any given time.

A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

3.19 Action without meeting.

Any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by the holder or holders of all the Memberships for each class, if more than one class, entitled to vote with respect to the action that is the subject matter of the consent, and such consent shall have the same force and effect as a unanimous vote of the Members. Every written consent pursuant to this section shall be signed, dated and delivered in the manner required by, and shall become effective at the time and remain effective for the period specified by, the Act. A telegram, telex, cablegram, or similar transmission by a Member, or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a Member, shall be regarded as signed by the Member for purposes of this section. Prompt notice of the taking of any action by Members without a meeting by less than unanimous written consent shall be given to those Members who did not consent in writing to the action.

For purposes of this section, the taking of the action includes amending this Operating Agreement or creating, under provisions of this Operating Agreement, a class of Memberships that was not

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previously outstanding.

3.20 Assignment of Distributional Interest.

Unless otherwise provided by this Operating Agreement:

A. a Distributional Interest is assignable in whole or in part;

B. an assignment of a Distributional Interest does not entitle the assignee to become, or to exercise rights or powers of, a Member;

C. an assignment entitles the assignee to receive distributions, to which the assignor was entitled, to the extent those items are assigned and allocates to the assignee the assignors allocable share of Net Profit and Net Loss; and

D. until the assignee becomes a Member, the assignor Member continues to be a Member and to have the power to exercise any rights or powers of a Member.

3.21 Distribution in kind.

Except as provided by the Articles or this Operating Agreement, a Member, regardless of the nature of the Member's contribution, may not demand or receive a distribution from this Company in any form other than cash.

3.22 Right to distribution.

Subject to the Act, at the time that a Member becomes entitled to receive a distribution, with respect to a distribution, that Member has the status of and is entitled to all remedies available to a creditor of the Company.

3.23 Limitation on distribution.

No distribution may be made if, after giving effect to the distribution:

A. the Company would not be able to pay its debts as they become due in the usual course of business; or

B. the Company's assets would be less than the sum of its liabilities plus, the amount that would be needed, if the Company were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up and termination of Members whose preferential rights are superior to those receiving the distribution. The Company may base a determination that a distribution is not prohibited upon the provisions of Section 33-44-406(b) and (c) of the Act.

3.24 Buyout of disassociating member.

If, following the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event which terminates the continued Membership of a Member in the Company, a Majority in Interest of the remaining Members vote to continue the

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Company, the disassociating Member shall be entitled to receive any distribution which the disassociating Member was entitled to receive prior to the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event which terminates the continued Membership of a Member in the Company. The Company shall have no obligation to purchase a disassociating Member's Membership until the date of the expiration of the specified term of the Company that existed on the date of the disassociation if the expiration of the specific term does not result in the dissolution and winding up of the Company's business under Section 33-44-801 of the Act. The date of payment, if any, and fair market value of the Disassociating Members Membership shall be determined by the Company pursuant to the provisions of Section 33-44-701(b).

ARTICLE IV
CAPITAL CONTRIBUTIONS

4.1 Initial contributions.

Each initial Member shall make the Capital Contribution described for that Member on Exhibit A at the time and on the terms specified on Exhibit A and shall make such additional capital contributions as may be required of Members from time to time and at any time. The value of the Capital Contributions shall be as set forth on Exhibit A. No interest shall accrue on any Capital Contribution and no Member shall have the right to withdraw or be repaid any Capital Contribution except as provided in this Operating Agreement. Each additional Member shall make such Capital Contribution at such time as established by a Required Interest.

4.2 Subsequent contributions.

Without creating any rights in favor of any third party, each Member shall contribute to the Company, in cash, on or before the date specified as hereinafter described that Member's pro rata share of all monies that in the judgment of a Required Interest, is necessary to enable the Company to cause the assets of the Company to be properly operated and maintained and to discharge its costs, expenses, obligations, and liabilities. A Required Interest, shall determine and notify each Member of the need for Capital Contributions pursuant to this Section 4.2 when appropriate, which notice must include a statement in reasonable detail of the proposed uses of the Capital Contributions and a date (which date may be no earlier than the fifth Business Day following each Member's receipt of its notice) before which the Capital Contributions must be made.

4.3 Failure to contribute.

A. If a Member does not contribute by the time required all or any portion of a Capital Contribution that Member is required to make as provided in this Operating Agreement, the Company may exercise, on notice to that Member (the "Delinquent Member"), one or more of the following remedies:

(1) taking such action (including, without limitation, court proceedings) as a Required Interest may deem appropriate to obtain payment by the Delinquent Member of the portion of the Delinquent Member's Capital Contribution that is in default together with interest thereon at the Default Interest Rate from the date that the Capital Contribution was due until the date that it is made, all at the cost and expense of the Delinquent Member;

(2) permitting the other Members on a pro rata basis or in such other percentages as they may agree (the "Lending Member," whether one or more), to advance the portion of the Delinquent Member's Capital Contribution that is in default, with the following results:

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(a) the sum advanced constitutes a loan from the Lending Member to the Delinquent Member and a Capital Contribution of that sum to the Company by the Delinquent Member pursuant to the applicable provisions of this Operating Agreement,

(b) the principal balance of the loan and all accrued unpaid interest thereon is due and payable in whole on the tenth day after written demand therefor by the Lending Member to the Delinquent Member,

(c) the amount loaned bears interest at the Default Interest Rate from the day that the advance is deemed made until the date that the loan, together with all interest accrued on it, is repaid to the Lending Member,

(d) all distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) instead shall be paid to the Lending Member until the loan and all interest accrued on it have been paid in full to the Lending Member (with payments being applied first to accrued and unpaid interest and then to principal),

(e) the payment of the loan and interest accrued on it is secured by a security interest in the Delinquent Member's Membership, as more fully set forth in this section, and

(f) the Lending Member has the right, in addition to the other rights and remedies granted to it pursuant to this Operating Agreement or available to it at law or in equity, to take any action (including without limitation, court proceedings) that the Lending Member may deem appropriate to obtain payment by the Delinquent Member of the loan and all accrued and unpaid interest on it, at the cost and expense of the Delinquent Member;

(3) exercising the rights of a secured party under the Uniform Commercial Code of the State of South Carolina, as more fully set forth in this Section; or

(4) exercising any other rights and remedies available at law or in equity.

B. Each Member grants to the Company, and to each Lending Member with respect to any loans made by the Lending Member to that Member as a Delinquent Member pursuant to this section, as security, equally and ratably, for the payment of all Capital Contributions that Member has agreed to make and the payment of all loans and interest accrued on them made by Lending Members to that Member as a Delinquent Member pursuant to this section, a security interest in and a general lien on its Membership and the proceeds thereof, all under the Uniform Commercial Code of the State of South Carolina. On any default in the payment of a Capital Contribution or in the payment of such a loan or interest accrued on it, the Company or the Lending Member, as applicable, is entitled to all the rights and remedies of a secured party under the Uniform Commercial Code of the State of South Carolina with respect to the security interest granted in this section. Each Member shall execute and deliver to the Company and the other Members all financing statements and other instruments that the Lending Member may request to effectuate and carry out the preceding provisions of this section. At the option of a Required Interest or a Lending Member, this Operating Agreement or a carbon, photographic, or other copy hereof may serve as a financing statement.

4.4 Return of contributions.

A Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its capital account, or its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. A Member is not required to

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contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions.

4.5 Advanced by members.

If the Company does not have sufficient cash to pay its obligations, any Member(s) that may agree to do so may advance all or part of the needed funds to or on behalf of the Company. An advance described in this section constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the day of payment, and is not a Capital Contribution.

4.6 Maintenance of capital accounts.

The Company shall establish and maintain Capital Accounts for each Member. Each Member's Capital Accounts shall be increased by (1) the amount of any money actually contributed by the Member to the capital of the Company, (2) the fair market value of any property contributed, as determined by the Company and the contributing Member at arm's length at the time of contribution (net of liabilities assumed by the Company or subject to which the Company takes such property, within the meaning of § 752 of the Code), and (3) the Member's share of Net Profits and of any separately allocated items of income or gain except adjustments required by the Code. Each Member's Capital Account shall be decreased by (1) the amount of money actually distributed by the Company to the Member, (2) the fair market value of any property distributed to the Member, as determined by the Company and the Member at arm's length at the time of distribution (net of liabilities of the Company assumed by the Member or subject to which the Member takes such property within the meaning of § 752 of the Code), and (3) the Member's share of Net Losses and of any separately allocated items of deduction or loss.

4.7 Distribution of assets.

If the Company at any time distributes any of its assets in-kind to any Member, the Capital Account of each Member shall be adjusted to account for that Member's allocable share of the Net Profits or Net Losses that would have been realized by the Company had it sold the assets that were distributed at their respective fair market value immediately prior to their distribution.

4.8 Sale or exchange of interest.

In the event of a sale or exchange of some or all of the Member's Interest in the Company, the Capital Account of the transferring Member shall become the Capital Account of the assignee, to the extent it relates to the portion of the interest transferred.

4.9 Compliance with Section 704(b) of the Code.

The provisions of this Article IV as they related to the maintenance of Capital Accounts are intended, and shall be construed, and, if necessary, modified to cause the allocations of profits, losses, income, gain and credit pursuant to Article V to have substantial economic effect under the Regulations promulgated under § 704(b) of the Code, in light of the distributions made pursuant to Articles V and XI and the Capital Contributions made pursuant to this Article IV. In cases where § 704(C) and § 1.704-3 of the Regulations apply to Company property, Members' Capital Accounts shall be adjusted in accordance with § 1.704-1(b)(2)(iv)(g) of the Regulations for allocations to them of income, gain, loss, and deduction (including depreciation, depletion, amortization, or other cost recovery) as computed for book purposes, with respect to property. Notwithstanding anything herein

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to the contrary, this Operating Agreement shall not be construed as creating a deficit restoration obligation.

ARTICLE V
ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations of net profits and net losses from operations.

Except as may be required by § 704(c) of the Code, and Sections 5.2, 5.3, and 5.4 of this Article V, Net Profits, Net Losses, and other items of income, gain, loss, deduction and credit shall be apportioned among the Members as follows:

David Brosman	50%
Gary Johnson	50%

5.2 Company minimum gain chargeback.

If there is a net decrease in Company Minimum Gain for a taxable year, each Member must be allocated items of income and gain for that taxable year equal to that Member's share of the net decrease in Company Minimum Gain. A Member's share of the net decrease in Company Minimum Gain is the amount of the total net decrease multiplied by the Member's percentage share of the Company Minimum Gain at the end of the immediately preceding taxable year. A Member's share of any decrease in Company Minimum Gain resulting from a revaluation of Company Property equals the increase in the Member's Capital Account attributable to the revaluation to the extent the reduction in minimum gain is caused by the revaluation. A Member is not subject to the Company Minimum Gain Chargeback Requirement to the extent the Member's share of the net decrease in Company Minimum Gain is caused by a guarantee, refinancing, or other change in the debt instrument causing it to become partially or wholly a Recourse Liability or a Member Nonrecourse Liability, and the Member bears the economic risk of loss (within the meaning of § 1.752-2 of the Regulations) for the newly guaranteed, refinanced, or otherwise changed liability.

5.3 Member minimum gain chargeback.

If during a taxable year there is a net decrease in Member Minimum Gain, any Member with a share of that Member Minimum Gain (as determined under § 1.704-2(i)(5) of the Regulations) as of the beginning of that taxable year must be allocated items of income and gain for that taxable year (and, if necessary, for succeeding taxable years) equal to that Member's share of the net decrease in the Company Minimum Gain. A Member's share of the net decrease in Member Minimum Gain is determined in a manner consistent with the provisions of paragraph § 1.704-2(g)(2) of the Regulations. A Member is not subject to this Member Minimum Gain Chargeback, however, to the extent the net decrease in Member Minimum Gain arises because the liability ceases to be Member Nonrecourse Liability due to a conversion, refinancing, or other change in the debt instrument that causes it to become partially or wholly a Company Nonrecourse Liability. The amount that would otherwise be subject to the Member Minimum Gain Chargeback is added to the Member's share of Company Minimum Gain. In addition, rules consistent with those applicable to Company Minimum Gain shall be applied to determine the shares of Member Minimum Gain and Member Minimum Gain Chargeback to the extent provided under the Regulations issued pursuant to § 704(b) of the Code.

5.4 Qualified income offset.

In the event any Member, in such capacity, unexpectedly received an Offsettable Decrease,

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such Member will be allocated items of income and gain (consisting of a pro rata portion of each item of partnership income and gain for such year) in an amount and manner sufficient to offset such Offsettable Decrease as quickly as possible.

5.5 Interim distributions.

From time to time, the Managing Members shall determine in their reasonable judgment to what extent, if any, the Company's cash on hand exceeds the current and anticipated needs, including, without limitation, needs for operating expenses, debt service, acquisitions, reserves, and mandatory distributions, if any. To the extent such excess exists, the Members may make distributions to the Members in the same proportions as Net Profits and Net Losses are allocated to Members. Such distributions shall be in cash or property (which need not be distributed proportionately) or partly in both, as determined by the Members.

ARTICLE VI
MANAGEMENT BY MEMBERS

6.1 Management by members.

Subject to the provisions of Section 6.2, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the joint direction of all of the Members; and (ii) upon the agreement and consent of all of the Members, the Members may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement, including, without limitation, the following:

A. entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

B. opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;

C. maintaining the assets of the Company in good order;

D. collecting sums due the Company;

E. to the extent that funds of the Company are available therefor, paying debts and obligations of the Company;

F. acquiring, utilizing for Company purposes, and disposing of any asset of the Company;

G. borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;

H. selecting, removing, and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;

I. obtaining insurance for the Company;

J. determining distributions of Company cash and other property as provided in Section

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5.5.

6.2 Actions by members; committees; delegation of authority and duties.

A. In managing the business and affairs of the Company and exercising its powers, the Members shall act (i) collectively with the approval of all Members acting through meetings and written consents as may be provided or limited in other provisions of this Operating Agreement; (ii) through committees pursuant to Section 6.2 B; and (iii) through Members to whom authority and duties have been delegated pursuant to Section 6.2 C. Except as otherwise set forth herein, all decisions and actions of the Company must be approved by all of the Members.

B. With the approval of all of the Members, the Members may, from time to time, designate one or more committees, each of which shall be comprised of one or more Members. Any such committee, to the extent provided in such resolution or in the Articles or this Operating Agreement, shall have and may exercise all of the authority of the Members, subject to the limitations set forth in the Act. At every meeting of any such committee, the presence of a majority of all the Members thereof shall constitute a quorum, and the affirmative vote of a majority of the Members present shall be necessary for the adopting of any resolution. The Members may dissolve any committee at any time, unless otherwise provided in the Articles or this Operating Agreement.

C. All of the Members may, from time to time, delegate to one or more Members such authority and duties as the Members may deem advisable. In addition, the Members may assign titles (including, without limitation, president, vice president, secretary, assistant secretary, treasurer and assistant treasurer) to any such Member. Unless the Members decide otherwise, if the title is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation to such Member of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made pursuant to the first sentence of this Section 6.2 C. Any number of titles may be held by the same Member. Any delegation pursuant to this Section 6.2 C may be revoked at any time by the Members at least 10% of the ownership interest in the Company.

D. Any Person dealing with the Company, other than a Member, must receive the approval of all of the Members unless otherwise provided herein, and any Person may NOT rely on the authority of any individual Member or officer in taking any action in the name of the Company, regardless of whether that action actually is taken in accordance with the provisions of this Operating Agreement.

6.3 Powers of members.

Subject to the requirement of being approved by all of the Members in order to take any action on behalf of the Company, every Member is an agent of the Company for the purpose of its business or affairs, but as provided herein, all actions and commitments of the Company must be approved by all of the Members of the Company unless otherwise set forth in this Operating Agreement. The act of any Member including, but not limited to, the execution in the name of the Company of any instrument, for apparently carrying on in the usual way the Company business or businesses of the kind carried on by the Company which has been approved by all of the Members of the Company binds the Company. No individual Member has the authority to bind or commit the Company without the approval of all of the Members.

6.4 Acquisition and Sale of Property.

The Company shall acquire, lease and sell all of its real Property as set forth herein. The

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decision to acquire or sell any Property must be mutually agreed upon by all Members. As provided above, the purchase, lease, exchange or sale of any Company Property must be approved by all of the Members.

ARTICLE VII
INDEMNIFICATION

7.1 Indemnification.

The Company shall indemnify the Members, and agents for all costs, losses, liabilities, and damages paid or accrued by such Members, or agents in connection with the business of the Company, to the fullest extent provided or allowed by the laws of the State.

ARTICLE VIII
TAXES

8.1 Tax Matters Partner.

The Members shall designate one of their number, as the tax matters partner of the Company pursuant to § 6231(a)(7) of the Code. Any Member designated as tax matters partner shall take such action as may be necessary to cause each other Member to become a notice partner within the meaning of § 6223 of the Code. Any Member who is designated tax matter partner may not take any action contemplated by §§ 6222 through 6232 of the Code without the consent of a Required Interest.

ARTICLE IX
NOTICE

9.1 Notice.

Any notice or communication required or permitted to be given by any provision of this Operating Agreement shall be in writing and shall be deemed to have been given and received by the Person to whom directed (a) when delivered personally to such Person or to a Member of the Company to which directed, or (b) when posted in the United States mails if sent by registered or certified mail, postage and charges prepaid, addressed to the Person to which directed at the address of which such Person has notified the Company and all of the Members.

ARTICLE X
DISSOLUTION, LIQUIDATION, AND TERMINATION

10.1 Dissolution.

The Company shall dissolve and its affairs shall be wound upon the first to occur of the following:

A. the written consent of all Members;

B. the expiration of the period fixed for the duration of the Company set forth in the Articles;

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C. upon the death, bankruptcy, or dissolution of a Member or the occurrence of any other event which terminates the continued Membership of a Member in this Company, unless within ninety (90) days of an event described herein a Majority in Interest of the remaining Members agree in writing to continue the business of the Company; and

D. entry of a decree of judicial dissolution of the Company under Section 33-44-801(b) of the Act or administrative dissolution as provided in Section 33-44-809 of the Act.

10.2 Winding up and termination.

On dissolution of the Company, a Required Interest of the Members will appoint one or more Members as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Members. The steps to be accomplished by the liquidator are as follows:

A. as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed as applicable.

B. the liquidator shall cause the notice described in Section 33-44-807 of the Act to be mailed to each known creditor of and claimant against the Company in the manner described in such Section 33-44-808 of the Act;

C. the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation and any advances described in Section 4.5) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

D. all remaining assets of the Company shall be distributed to Members as follows:

(1) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members;

(2) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the capital accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the capital accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(3) Company property shall be distributed among the Members in accordance with the positive capital account balances of the Members, as determined after taking into account all capital account adjustments for the taxable year of the Company during which the liquidation of the Company occurs (other than those made by reason of this clause (3)); and those distributions shall be made, if possible, by the end of the taxable year of the Company during which the liquidation of the Company occurs.

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All distributions in kind to the Members shall be made subject to the Liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section 10.2. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

10.3 Deficit capital accounts.

Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation) or distributions of money pursuant to this Operating Agreement to all Members in proportion to their respective interests in the Company, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

10.4 Articles of Termination.

After the dissolution of the limited liability company pursuant to Section 33-44-801 of the Act, the authorized Member shall file Articles of Termination with the Secretary of State of South Carolina and take such other actions as may be necessary to terminate the Company. An "Authorized Member" will be a Member or Members appointed by a Required Interest.

ARTICLE XI
GENERAL PROVISIONS

11.1 Books and records.

The Company shall maintain those books and records as and as it may deem necessary or desirable. All books and records shall be open to inspection of the Members from time to time. The Members may examine all such books and records at all reasonable times. The Company shall keep and maintain such records as the Members deem appropriate.

The Company shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

The Company shall keep in its registered office in South Carolina and make available to Members on reasonable request the street address of its principal United States Office in which the records required by this section are maintained or will be available.

The Company shall keep its books on the [cash or accrual] method of accounting.

11.2 Amendment or modification.

The Operating Agreement may be amended and modified from time to time only by a written instrument adopted and executed by all of the Members. No Member shall have any vested rights in the Operating Agreement.

11.3 Checks, notes, drafts, etc.

All checks, drafts or other orders for payment of money, notes or other evidences of

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indebtedness issued in the name of or payable to the Company shall be signed or endorsed by a designated person which may be appointed by a Required Interest of the Members. The designated person may be a officer(s), Member(s), or other person(s) as may from time be designated.

11.4 Headings.

The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

11.5 Construction.

Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Articles and Sections refer to articles and sections of this Operating Agreement, and all references to Exhibits, if any, are to Exhibits attached hereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as is reasonable and possible:

A. The remainder of this Operating Agreement shall be considered valid and operative; and

B. Effect shall be given to the intent manifested by the portion held invalid or inoperative.

11.6 Entire agreement; supersedure.

This Operating Agreement constitutes the entire agreement of the Members and their Affiliates relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

11.7 Effect of waiver or consent.

A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

11.8 Binding effect.

Subject to the restrictions on Dispositions set forth in this Operating Agreement, this Operating Agreement is binding on and inures to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

11.9 Governing law; severability.

This Operating Agreement is governed by and shall be construed in accordance with the law of the State of South Carolina excluding any conflict-of-laws rule or principle that might refer the

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governance or the construction of this Operating Agreement to the law of another jurisdiction. In the event of a direct conflict between the provisions of this Operating Agreement and (a) a mandatory provision of the Articles, or (b) any mandatory provision of the Act, the applicable provision of the Articles or the Act shall control. If any provision of this Operating Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Operating Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

11.10 Further assurances.

In connection with this Operating Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Operating Agreement and those transactions.

11.11 Notice to members of provisions of this agreement.

By executing this Operating Agreement, each Member acknowledges that it has actual notice of (a) all of the provisions of this Operating Agreement, including, without limitation, the restrictions on the transfer of Membership set forth in Article III, and (b) all of the provisions of the Articles. Each Member hereby agrees that this Operating Agreement constitute adequate notice of all such provisions, and each Member hereby waives any requirement that any further notice thereunder be given.

11.12 Counterparts.

This Operating Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

11.13 Conflicting provisions.

To the extent that one or more provisions of this Operating Agreement appear to be in conflict with one another, then a Required Interest, shall have the right to choose which of the conflicting provisions are to be enforced. Wide latitude is given to a Required Interest, in interpreting the provision of this Operating Agreement to accomplish the purposes and objectives of the Company, and may apply this Operating Agreement in such a manner as to be in the best interest of the Company, in their sole discretion, even if such interpretation or choice of conflicting provisions to enforce is detrimental to one or more Members.

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The undersigned, being all the initial Members, hereby certify that the foregoing Operating Agreement was unanimously adopted by the Members, effective the 21st day of May, 2009, TO WITNESS WHICH we have hereunto affixed our signatures.

Witnesses:

David Brosman

Gary Johnson

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EXHIBIT A

MEMBER	CAPITAL CONTRIBUTION	FAIR MARKET VALUE
David Brosman	Cash	$100.00
Gary Johnson	Cash	$100.00

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Operating Agreement

of

Island Funding, LLC

This Operating Agreement of Island Funding, LLC ("the Company") dated as of the 21st day of November, 2012. Is (a) adopted by the members (as defined below) and (b) executed and agreed to, for good and valuable consideration, by the Members.

ARTICLE I
DEFINITIONS

As used in this Operating Agreement, the following terms have the following meanings:

A. "**Act**" means the Uniform Limited Liability Company Act of 1996 and any successor statute as amended from time to time.

B. "**Articles**" means the Articles of Organization filed with the Secretary of State of South Carolina by which Island Funding, LLC was organized as a South Carolina Limited Liability Company under and pursuant to the Act

C. "**Bankrupt Member**" means a Member who is the subject of an order for relief under Title 11 of the United States Code or a comparable order under a successor statute of general application or a comparable order under federal, state, or foreign law governing insolvency and has the same meeting as the term "Debtor in Bankruptcy" defined in § 33-44-101(4) of the Act.

D. "**Business Day**" means any day other than a Saturday, a Sunday, or a holiday on which national banking associations in the State of South Carolina are closed.

E. "**Capital Contribution**" means any contribution by a Member to the capital of the Company.

F. "**Code**" means the Internal Revenue Code of 1986 and any successor statute, as amended from time to time.

G. "**Company**" means Island Funding, LLC , a South Carolina Limited Liability Company.

H. "**Company Liability**" means any enforceable debt or obligation for which the Company is liable or which is secured by any Company Property.

I. "**Company Minimum Gain**" means an amount determined by first computing for each Company Nonrecourse Liability any gain the Company would realize if it disposed of the Company Property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Company Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any taxable year, the net increase or decrease in Company Minimum Gain is determined by comparing the Company Minimum Gain on the last day of the immediately preceding taxable year with the Minimum Gain on the last day of the current taxable year. Notwithstanding any provision to the

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contrary contained herein, Company Minimum Gain and increases and decreases in Company Minimum Gain are intended to be computed in accordance with § 704 of the Code and the Regulations issued thereunder, as the same may be issued and interpreted from time to time. A Member's share of Company Minimum Gain at the end of any taxable year equals; the sum of Nonrecourse Deductions allocated to that Member (and to that Member's predecessors in interest) up to that time and the distributions made to that Member (and to that Member's predecessors in interest) up to that time of proceeds of a nonrecourse liability allocable to an increase in Company Minimum Gain minus the sum of that Member's (and that Member's predecessors' in interest) aggregate share of the net deceases in Company Minimum Gain plus their aggregate share of decreases resulting from revaluations of Company Property subject to one or more Company Nonrecourse Liabilities.

J. **"Company Nonrecourse Liability"** means a Company Liability to the extent that no Member or related person bears the economic risk of loss (as defined in § 1.752-2 of the Regulations) with respect to the liability.

K. **"Default Interest Rate"** means a rate per annum equal to the lesser of (a) **one percent (1.0%)** plus a varying rate per annum that is equal to the *Wall Street Journal* prime rate as quoted in the money rates section of the *Wall Street Journal* which is also the base rate on corporate loans at large United States money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

L. **"Delinquent Member"** means a Member who does not contribute by the time required all or any portion of a Capital Contribution that Member is required to make as provided in this Operating Agreement.

K. **"Dispose," "Disposing," or "Disposition"** means a sale, assignment, transfer, exchange, mortgage, pledge, grant of a security interest, or other disposition or encumbrance (including, without limitation, by operation of law), or the acts thereof.

M. **"Distributional Interest"** means all of a Member's interest in distributions by the Company.

N. **"General Interest Rate"** means a rate per annum equal to the lesser of (a) the *Wall Street Journal* prime rate as quoted in the money rates section of the Wall Street Journal which is also the base rate on corporate loans at large United States Money center commercial banks, from time to time as its prime commercial or similar reference interest rate, with adjustments in that varying rate to be made on the same date as any change in that rate, and (b) the maximum rate permitted by applicable law.

O. **"Lending Member"** means those Members, whether one or more, who advance the portion of the Delinquent Member's Capital Contribution that is in default.

P. **"Majority in Interest"** means the majority vote of both those Members owning a majority of the capital and those Members owning a majority of the Net Profits and the Net Loses of the Company.

Q. **"Member"** means any Person executing the Articles, this Operating Agreement, or hereafter admitted to the Company as a Member as provided in this Operating Agreement, but does not include any Person who has ceased to be a Member in the Company.

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R. **"Member Minimum Gain"** means an amount determined by first computing for each Member Nonrecourse Liability any gain the Company would realize if it disposed of the Company property subject to that liability for no consideration other than full satisfaction of the liability, and then aggregating the separately computed gains. The amount of Member Minimum Gain includes such minimum gain arising from a conversion, refinancing, or other change to a debt instrument, only to the extent a Member is allocated a share of that minimum gain. For any taxable year, the net increase or decrease in Member Minimum Gain is determined by comparing the Member Minimum Gain on the last day of the immediately preceding taxable year with the Minimum Gain on the last day of the current taxable year. Notwithstanding any provision to the contrary contained herein, Member Minimum Gain and increases and deceases in Member Minimum Gain are intended to be computed in accordance with § 704 of the Code or the Regulations issued thereunder, as the same may be issued and interpreted from time to time.

S. **"Member Nonrecourse Liability"** means any Company Liability to the extent of liability is nonrecourse under state law, and on which a Member or related person bears the economic risk of loss under § 1.752-2 of the Regulations because, for example, the Member or related person is the creditor or a guarantor.

T. **"Membership"** means any Member's interest in the Company, including, without limitation, rights to distributions (liquidating or otherwise), allocations, information, and to consent or approve.

U. **"Net Losses"** means the losses and deductions of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate, as appropriate, on the tax return of the Company filed for federal income tax purposes.

V. **"Net Profits"** means the income and gains of the Company determined in accordance with accounting principles consistently applied from year to year employed under the method of accounting adopted by the Company and as reported separately or in the aggregate as appropriate on the tax return of the Company filed for federal income tax purposes.

W. **"Nonrecourse Liabilities"** means Company Nonrecourse Liabilities and Member Nonrecourse Liabilities.

X. **"Offsettable Decrease"** means any allocation that unexpectedly causes or increases a deficit in the Member's Capital Account as of the end of the taxable year to which the allocation relates attributable to depletion allowances under § 1.704(b)(2)(iv)(k) of the Regulations, allocations of loss and deductions under §§ 704(e)(2) or 706 of the Code or under § 1.751-1 of the Regulations, or distributions that, as of the end of the year are reasonably expected to be made to the extent they exceed the offsetting increases to such Member's Capital Account that reasonably are expected to occur during or (prior to) the taxable years in which such distributions are expected to be made (other than increases pursuant to a Minimum Gain Chargeback).

Y. **"Operating Agreement"** has the meaning given that term in the introductory paragraph.

Z. **"Person"** includes an individual, partnership, limited partnership, limited liability company, foreign limited liability company, trust, estate, corporation, custodian, trustee, executor, administrator, nominee or entity in a representative capacity.

AA. **"Proceeding"** means any threatened, pending or completed action, suit or

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proceeding, whether civil, criminal, administrative, arbitrative or investigative.

BB. **"Property"** means the vehicles, equipment, and other items of personal property and real property owned or to be acquired by the Company and utilized in the Company's business.

CC. **"Required Interest"** means (100%) percent of all Members.

Other terms defined herein have the meanings so given them.

ARTICLE II
ORGANIZATION

2.1 Formation.

The Company has been organized as a South Carolina Limited Liability Company by the filing of Articles pursuant to the Act and the issuance of a certificate of organization for the Company by the Secretary of State of South Carolina.

2.2 Name.

The name of the Company is 30 Haul Away LLC, and all Company business must be conducted in that name or such other names that comply with applicable law as the Members may select from time to time.

2.3 Registered Office.

The registered office of the Company required by the Act to be maintained in the State of South Carolina shall be the office of the initial registered agent named in the Articles or such other office (which need not be a place of business of the Company) as the Members, may designate from time to time in the manner provided by law.

2.4 Registered Agent.

The registered agent of the Company in the State of South Carolina shall be the initial registered agent named in the Articles or such other Person or Persons as the Members, may designate from time to time in the manner provided by law.

2.5 Principal office in the United States other offices.

The principal office of the Company in the United States shall be at such place as the Members, may designate from time to time, which need not be in the State of South Carolina. The Company may have such other offices as the Members, may designate from time to time.

2.6 Purposes.

The purposes of the Company are to acquire, develop, manage, rent, market and sell real property.

2.7 Foreign qualification.

Prior to the Company's conducting business in any jurisdiction other than South Carolina, the Members shall cause the Company to comply, to the extent procedures are available and those

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matters are reasonably within the control of the Members, with all requirements necessary to qualify the Company as a foreign limited liability company in that jurisdiction. At the request of the Members, each Member shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Operating Agreement that are necessary or appropriate to qualify, continue, and terminate the Company as a foreign limited liability company in all such jurisdictions in which the Company may conduct business.

2.8 Term.

The Company commenced on the date the Articles were filed with the Secretary of State of South Carolina for the Company and shall continue in existence for the period fixed in the Articles for the duration of the Company, or such earlier time as this Operating Agreement may specify.

2.9 Mergers.

The Company may merge with another business entity subject to the requirements of Sections 33-44-904 through 33-44-907 of the Act.

2.10 No state-law partnership.

The Members intend that the Company not be a partnership (including, without limitation, a limited partnership) or joint venture, and that no Member be a partner or joint venturer of any other Member, for any purposes other than federal and state tax purposes, and this Operating Agreement may not be construed to suggest otherwise.

ARTICLE III
MEMBERS

3.1 Admission of members.

A. After the formation of this Company, a person becomes a new Member:

(1) in the case of a person acquiring a Membership directly from this Company, on compliance with the provisions of Section 3.2 and 3.4 of this Agreement governing admission of new Members or, if this Operating Agreement contains no relevant admission provisions, on the written consent of all Members; and

(2) in the case of an assignee of a Membership if there is the consent of all of the Members at the time of the assignment to permit the admission of a substituted Member pursuant to § 33-44-503.

B. Any person may be a Member unless the person lacks capacity apart from the Act.

3.2 Representations and warranties.

Each Member hereby represents and warrants to the Company and each other Member that (a) if that Member is a corporation, it is duly organized, validly existing and in good standing under the law of the state of its incorporation and is duly qualified and in good standing as a foreign corporation in the jurisdiction of its principal place of business (if not incorporated therein); (b) if that Member is a limited liability company, it is duly organized, validly existing, and (if applicable)

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in good standing under the law of the state of its organization and is duly qualified and (if applicable) in good standing as a foreign limited liability company in the jurisdiction of its principal place of business (if not organized therein); (c) if that Member is a partnership, trust, or other entity, it is duly formed, validly existing, and (if applicable) in good standing under the law of the state of its formation, and if required by law is duly qualified to do business and (if applicable) in good standing in the jurisdiction of its principal place of business (if not formed therein), and the representations and warranties in clause (a), (b), or (c), as applicable, are true and correct with respect to each partner (other than limited partners), trustee, or other Member thereof, (d) that Member has full corporate, limited liability company, partnership, trust, or other applicable power and authority to execute and agree to this Operating Agreement and to perform obligations hereunder and all necessary actions by the board of directors, shareholders, manager, members, partners, trustees, beneficiaries, or other Persons necessary for the due authorization, execution, delivery, and performance of this Operating Agreement by that Member have been duly taken; (e) that Member has duly executed and delivered this Operating Agreement; and (f) that Member's authorization, execution, delivery, and performance of this Operating Agreement do not conflict with any other agreement or arrangement to which that Member is a party or by which it is bound.

3.3 **Restrictions on the disposition of a membership.**

A. Membership and transferability of Memberships in the Company are substantially restricted. Neither record title nor beneficial ownership of a Membership may be transferred or encumbered without the consent of all of the Members at the time of transfer. An unauthorized transfer of a Membership could create a substantial hardship to the Company and jeopardize its capital base. These restrictions upon ownership and transfer are not intended as a penalty, but as a method to protect and preserve existing relationships based upon trust and the Company's capital and its financial ability to continue.

A Disposition of a Membership in the Company may not be effected without the consent of all of the Members at the time of Disposition. Any attempted Disposition by a Person of an interest or right in or in respect of the Company other than in accordance with this section shall be, and is hereby declared, null and void ab initio.

An assignee who becomes a Member has, to the extent assigned, the rights and powers and is subject to the restrictions and liabilities of a Member under this Operating Agreement and the Act. Unless otherwise provided by this Operating Agreement, an assignee who becomes a Member also is liable for the obligations of the assignor to make contributions but is not obligated for liabilities unknown to the assignee at the time the assignee became a Member and which could not be ascertained from this Operating Agreement. Whether or not an assignee of a Membership becomes a Member, the assignor is not released from the assignor's liability to this Company.

B. Subject to the provisions of the following section, (i) a Person to whom a Membership in the Company is transferred has the right to be admitted to the Company as a Member with the interest in Net Profits, Net Losses, and capital so transferred to such Person, if (A) the Member making such transfer grants the transferee the right to be so admitted, and (B) such transfer is consented to in accordance with this section.

C. The Company may not recognize for any purpose any purported Disposition of a Membership unless and until the other applicable provisions of this section have been satisfied and the Members, have received, on behalf of the Company, a document (i) executed by both the Member effecting the Disposition (or if the transfer is on account of the death, incapacity, or liquidation of the transferor, his representative) and the Person to which the Membership is Disposed, (ii) including the notice address of any Person to be admitted to the Company as a

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Member and its agreement to be bound by this Operating Agreement in respect of the Membership being obtained, (iii) setting forth the percentage interest in Net Profits, Net Losses and capital after the Disposition by the Member effecting the Disposition and the Person to which the Membership is Disposed (which together must total the percentage interest in Net Profits, Net Losses and capital of the Member effecting the Disposition before the Disposition), and (iv) containing a representation and warranty that the Disposition was made in accordance with all applicable laws and regulations (including securities laws) and, if the Person to which the Membership is Disposed is to be admitted to the Company, its representation and warranty that the representations and warranties in this Operating Agreement are true and correct with respect to that Person. Each Disposition and, if applicable, admission complying with the provisions of this section is effective as of the first day of the calendar month immediately succeeding the month in which the Members receive the notification of Disposition and the other requirements of this section have been met.

D. For the right of a Member to Dispose of a Membership or of any Person to be admitted to the Company in connection therewith to exist or be exercised, (i) either (A) the Membership subject to the Disposition or admission must be registered under the Securities Act of 1933, as amended, and any applicable state securities laws or (B) the Company must receive a favorable opinion of the Company's legal counselor or other legal counsel acceptable to a Required Interest of its Members, to the effect that the Disposition or admission is exempt from registration under those laws and (ii) the Company must receive a favorable opinion of the Company's legal counsel or of other legal counsel acceptable to a Required Interest of its Members, to the effect that the Disposition or admission, when added to the total of all other sales, assignments, or other Dispositions within the preceding 12 months, would not result in the Company's being considered to have terminated within the meaning of the Code. The Members, however, may waive the requirements of this sub-part of this section.

E. The Member effecting a Disposition and any Person admitted to the Company in connection therewith shall pay, or reimburse the Company for, all costs incurred by the Company in connection with the Disposition or admission (including, without limitation, the legal fees incurred in connection with the legal opinions referred above) on or before the tenth day after the receipt by that Person of the Company's invoice for the amount due. If payment is not made by the date due, the Person owing that amount shall pay interest on the unpaid amount from the date due until paid at a rate per annum equal to the Default Interest Rate.

3.4 Additional Members.

Additional Persons may be admitted to the Company as Members and Memberships may be created and issued to those Persons and to existing Members at the direction of a Required Interest of Members, on such terms and conditions as the Required Interest may determine at the time of admission. The terms of admission or issuance must specify the percentage of Net Profit, Net Loss, allocable to such Person and the Capital Contribution applicable thereto and may provide for the creation of different classes or groups of Members and having different rights, powers, and duties. A Required Interest shall reflect the creation of any new class or group in an amendment to this Operating Agreement indicating the different rights, powers, and duties. Any such admission also must comply with the requirements described elsewhere in this Operating Agreement and is effective only after the new Member has executed and delivered to the Company, as appropriate, a document including the new Member's notice address, its agreement to be bound by this Operating Agreement, and its representation and warranty that the representation and warranties required of new Members are true and correct with respect to the new Member. Notwithstanding the foregoing, the Members of the Company shall have a preemptive right to acquire additional, newly created Memberships of the Company, or securities of the Company convertible into or carrying a right to subscribe to or acquire Memberships, except to the extent limited or denied by this Operating Agreement or the

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Articles.

3.5 Interests in a member.

A Member that is not a natural person may not cause or permit an interest, direct or indirect, in itself to be Disposed of such that after the Disposition, (a) the Company would be considered to have terminated within the meaning of section 708 of the Code or (b) without the consent of a Required Interest that Member shall cease to be controlled by substantially the same Persons who control it as of the date of its admission to the Company. On any breach of the provisions of clause (b) of the immediately preceding sentence, the Company shall have the option to buy, and on exercise of that option the breaching Member shall sell, the breaching Member's Membership all in accordance with Section 3.24.

3.6 Information.

A. In addition to the other rights specifically set forth in this Operating Agreement, each Member is entitled to all information to which that Member is entitled to have access pursuant to Section 33-44-408 of the Act under the circumstances and subject to the conditions therein stated. The Members agree, however, that a Required Interest from time to time may determine, due to contractual obligations, business concerns, or other considerations, that certain information regarding the business affairs, properties, and financial condition of the Company should be kept confidential and not provided to some or all other Members, and that it is not just or reasonable for those Members or assignees or representatives thereof to examine or copy that information.

B. The Members acknowledge that from time to time, they may receive information from or regarding the Company in the nature of trade secrets or that otherwise is confidential, the release of which may be damaging to the Company or Persons with which it does business. Each Member shall hold in strict confidence any information it receives regarding the Company that is identified as being confidential (and if that information is provided in writing, that is so marked) and may not disclose it to any Person other than another Member, except for disclosures (i) compelled by law (but the Member must notify a Required Interest, as appropriate, promptly of any request for that information, before disclosing it, if practicable), (ii) to advisers or representatives of the Member or Persons to which that Member's Membership may be Disposed as permitted by this Operating Agreement, but only if the recipients have agreed to be bound by the provisions of this section or (iii) of information that Member also has received from a source independent of the Company that the Member reasonably believes obtained that information without breach of any obligation of confidentiality. The Members acknowledge that breach of the provisions of this section may cause irreparable injury to the Company for which monetary damages are inadequate, difficult to compute, or both. Accordingly, the Members agree that the provisions of this section may be enforced by specific performance.

3.7 Liabilities to third parties.

Except as otherwise expressly agreed in writing, no Member shall be liable for the debts, obligations or liabilities of the Company, including under a judgment decree or order of a court.

3.8 Withdrawal.

No Member may withdraw from the Company as a Member prior to the date specified in the Articles of Organization for dissolution of the Company.

3.9 Classes and voting.

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Unless the Articles state to the contrary or as provided by this Operating Agreement two or more classes or groups of one or more Members is established, there shall be one class of Members. The Articles or any amendments thereof or by a two-thirds vote of the Members of this Company at a duly authorized annual or special meeting may elect to establish two or more classes or groups of one or more Members. In the event of the establishment of two or more classes or groups of one or more Members, then the following provisions shall apply:

A. The rights, powers, or duties of a class or group may be senior to those of one or more existing classes or groups of Members.

B. If two or more classes or groups of one or more Members are established, then each class or group of Members, as far as waiver of notices, action by consent without a meeting, establishment of a record date, quorum requirements, voting in person or by proxy, or any other matter relating to the exercise of the right to vote, shall be governed by the same provisions of this Operating Agreement as pertain to one class or group of Members.

C. Prompt notice of the taking of an action under this Operating Agreement that require less than unanimous written consent of the Members and that may be taken without a meeting shall be given to the Members who have not consented in writing to the taking of the action.

D. For the purposes of this section, the taking of an action includes amending this Operating Agreement or creating, under provisions of this Operating Agreement, a class of Membership that was not previously outstanding.

3.10 Place and manner of meeting.

All meetings of the Members shall be held at such time and place, within or without the State of South Carolina, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. Members may participate in such meetings by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting as provided herein shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

3.11 Conduct of meetings.

All meetings of the Members shall be presided over by the Chairman of the meeting, who shall be a Member (or representative thereof) designated by a Required Interest. The chairman of any meeting of Members shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order.

3.12 Annual meeting.

The annual meeting of the Members for the transaction of all business which may come before the meeting shall be held on the **first tuesday of May** in each year (if not a legal holiday and, if a legal holiday, then on the next business day following) at the hour specified in the notice of the meeting. If the annual meeting is not held on the date above specified, the Members shall cause a special meeting of the Members in lieu thereof to be held as soon thereafter as convenient, and any

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3.17 Majority vote; withdrawal of quorum.

With respect to any matter when a quorum is present at any meeting, the vote of the holders of one hundred percent (100%) of the Memberships, present in person or represented by proxy, having voting power with respect to that matter, shall decide such matter brought before such meeting, unless the matter is one upon which, by express provision of the Articles or this Operating Agreement, or by any express provision of the statutes which is applicable to such vote unless overridden by the Articles, a different vote is required, in which case such express provision shall govern and control the decision of such matter. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

3.18 Voting of membership.

Except as otherwise provided in the Act, each outstanding Member, regardless of class, shall be entitled to one vote on each matter submitted to a vote of Members, except to the extent that the voting rights of the Member of any class or classes are limited or denied by the Articles or by this Operating Agreement.

On each matter submitted to a vote of the Membership (as opposed to a vote of the Members) each outstanding Membership shall be entitled to vote its percentage interest in the Company as set forth in Section 5.1 of this Operating Agreement.

Memberships owned by another limited liability company or corporation, the majority of the Memberships or voting stock of which is owned or controlled by this Company, and Memberships held by this Company in a fiduciary capacity shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total Memberships at any given time.

A Member may vote either in person or by proxy executed in writing by the Member or by his duly authorized attorney in fact. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. Each proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest.

3.19 Action without meeting.

Any action required by the Act to be taken at a meeting of the Members, or any action which may be taken at a meeting of the Members, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall have been signed by the holder or holders of all the Memberships for each class, if more than one class, entitled to vote with respect to the action that is the subject matter of the consent, and such consent shall have the same force and effect as a unanimous vote of the Members. Every written consent pursuant to this section shall be signed, dated and delivered in the manner required by, and shall become effective at the time and remain effective for the period specified by, the Act. A telegram, telex, cablegram, or similar transmission by a Member, or a photographic, photostatic, facsimile, or similar reproduction of a writing signed by a Member, shall be regarded as signed by the Member for purposes of this section. Prompt notice of the taking of any action by Members without a meeting by less than unanimous written consent shall be given to those Members who did not consent in writing to the action.

For purposes of this section, the taking of the action includes amending this Operating Agreement or creating, under provisions of this Operating Agreement, a class of Memberships that was not

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previously outstanding.

3.20 Assignment of Distributional Interest.

Unless otherwise provided by this Operating Agreement:

A. a Distributional Interest is assignable in whole or in part;

B. an assignment of a Distributional Interest does not entitle the assignee to become, or to exercise rights or powers of, a Member;

C. an assignment entitles the assignee to receive distributions, to which the assignor was entitled, to the extent those items are assigned and allocates to the assignee the assignors allocable share of Net Profit and Net Loss; and

D. until the assignee becomes a Member, the assignor Member continues to be a Member and to have the power to exercise any rights or powers of a Member.

3.21 Distribution in kind.

Except as provided by the Articles or this Operating Agreement, a Member, regardless of the nature of the Member's contribution, may not demand or receive a distribution from this Company in any form other than cash.

3.22 Right to distribution.

Subject to the Act, at the time that a Member becomes entitled to receive a distribution, with respect to a distribution, that Member has the status of and is entitled to all remedies available to a creditor of the Company.

3.23 Limitation on distribution.

No distribution may be made if, after giving effect to the distribution:

A. the Company would not be able to pay its debts as they become due in the usual course of business; or

B. the Company's assets would be less than the sum of its liabilities plus, the amount that would be needed, if the Company were to be dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential rights upon dissolution, winding up and termination of Members whose preferential rights are superior to those receiving the distribution. The Company may base a determination that a distribution is not prohibited upon the provisions of Section 33-44-406(b) and (c) of the Act.

3.24 Buyout of disassociating member.

If, following the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event which terminates the continued Membership of a Member in the Company, a Majority in Interest of the remaining Members vote to continue the

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Company, the disassociating Member shall be entitled to receive any distribution which the disassociating Member was entitled to receive prior to the death, retirement, resignation, expulsion, bankruptcy or dissolution of a Member or the occurrence of any other event which terminates the continued Membership of a Member in the Company. The Company shall have no obligation to purchase a disassociating Member's Membership until the date of the expiration of the specified term of the Company that existed on the date of the disassociation if the expiration of the specific term does not result in the dissolution and winding up of the Company's business under Section 33-44-801 of the Act. The date of payment, if any, and fair market value of the Disassociating Members Membership shall be determined by the Company pursuant to the provisions of Section 33-44-701(b).

ARTICLE IV
CAPITAL CONTRIBUTIONS

4.1 Initial contributions.

Each initial Member shall make the Capital Contribution described for that Member on Exhibit A at the time and on the terms specified on Exhibit A and shall make such additional capital contributions as may be required of Members from time to time and at any time. The value of the Capital Contributions shall be as set forth on Exhibit A. No interest shall accrue on any Capital Contribution and no Member shall have the right to withdraw or be repaid any Capital Contribution except as provided in this Operating Agreement. Each additional Member shall make such Capital Contribution at such time as established by a Required Interest.

4.2 Subsequent contributions.

Without creating any rights in favor of any third party, each Member shall contribute to the Company, in cash, on or before the date specified as hereinafter described that Member's pro rata share of all monies that in the judgment of a Required Interest, is necessary to enable the Company to cause the assets of the Company to be properly operated and maintained and to discharge its costs, expenses, obligations, and liabilities. A Required Interest, shall determine and notify each Member of the need for Capital Contributions pursuant to this Section 4.2 when appropriate, which notice must include a statement in reasonable detail of the proposed uses of the Capital Contributions and a date (which date may be no earlier than the fifth Business Day following each Member's receipt of its notice) before which the Capital Contributions must be made.

4.3 Failure to contribute.

A. If a Member does not contribute by the time required all or any portion of a Capital Contribution that Member is required to make as provided in this Operating Agreement, the Company may exercise, on notice to that Member (the "Delinquent Member"), one or more of the following remedies:

(1) taking such action (including, without limitation, court proceedings) as a Required Interest may deem appropriate to obtain payment by the Delinquent Member of the portion of the Delinquent Member's Capital Contribution that is in default together with interest thereon at the Default Interest Rate from the date that the Capital Contribution was due until the date that it is made, all at the cost and expense of the Delinquent Member;

(2) permitting the other Members on a pro rata basis or in such other percentages as they may agree (the "Lending Member," whether one or more), to advance the portion of the Delinquent Member's Capital Contribution that is in default, with the following results:

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(a) the sum advanced constitutes a loan from the Lending Member to the Delinquent Member and a Capital Contribution of that sum to the Company by the Delinquent Member pursuant to the applicable provisions of this Operating Agreement,

(b) the principal balance of the loan and all accrued unpaid interest thereon is due and payable in whole on the tenth day after written demand therefor by the Lending Member to the Delinquent Member,

(c) the amount loaned bears interest at the Default Interest Rate from the day that the advance is deemed made until the date that the loan, together with all interest accrued on it, is repaid to the Lending Member,

(d) all distributions from the Company that otherwise would be made to the Delinquent Member (whether before or after dissolution of the Company) instead shall be paid to the Lending Member until the loan and all interest accrued on it have been paid in full to the Lending Member (with payments being applied first to accrued and unpaid interest and then to principal),

(e) the payment of the loan and interest accrued on it is secured by a security interest in the Delinquent Member's Membership, as more fully set forth in this section, and

(f) the Lending Member has the right, in addition to the other rights and remedies granted to it pursuant to this Operating Agreement or available to it at law or in equity, to take any action (including without limitation, court proceedings) that the Lending Member may deem appropriate to obtain payment by the Delinquent Member of the loan and all accrued and unpaid interest on it, at the cost and expense of the Delinquent Member;

(3) exercising the rights of a secured party under the Uniform Commercial Code of the State of South Carolina, as more fully set forth in this Section; or

(4) exercising any other rights and remedies available at law or in equity.

B. Each Member grants to the Company, and to each Lending Member with respect to any loans made by the Lending Member to that Member as a Delinquent Member pursuant to this section, as security, equally and ratably, for the payment of all Capital Contributions that Member has agreed to make and the payment of all loans and interest accrued on them made by Lending Members to that Member as a Delinquent Member pursuant to this section, a security interest in and a general lien on its Membership and the proceeds thereof, all under the Uniform Commercial Code of the State of South Carolina. On any default in the payment of a Capital Contribution or in the payment of such a loan or interest accrued on it, the Company or the Lending Member, as applicable, is entitled to all the rights and remedies of a secured party under the Uniform Commercial Code of the State of South Carolina with respect to the security interest granted in this section. Each Member shall execute and deliver to the Company and the other Members all financing statements and other instruments that the Lending Member may request to effectuate and carry out the preceding provisions of this section. At the option of a Required Interest or a Lending Member, this Operating Agreement or a carbon, photographic, or other copy hereof may serve as a financing statement.

4.4 Return of contributions.

A Member is not entitled to the return of any part of its Capital Contributions or to be paid interest in respect of either its capital account, or its Capital Contributions. An unrepaid Capital Contribution is not a liability of the Company or of any Member. A Member is not required to

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contribute or to lend any cash or property to the Company to enable the Company to return any Member's Capital Contributions.

4.5 Advanced by members.

If the Company does not have sufficient cash to pay its obligations, any Member(s) that may agree to do so may advance all or part of the needed funds to or on behalf of the Company. An advance described in this section constitutes a loan from the Member to the Company, bears interest at the General Interest Rate from the date of the advance until the day of payment, and is not a Capital Contribution.

4.6 Maintenance of capital accounts.

The Company shall establish and maintain Capital Accounts for each Member. Each Member's Capital Accounts shall be increased by (1) the amount of any money actually contributed by the Member to the capital of the Company, (2) the fair market value of any property contributed, as determined by the Company and the contributing Member at arm's length at the time of contribution (net of liabilities assumed by the Company or subject to which the Company takes such property, within the meaning of § 752 of the Code), and (3) the Member's share of Net Profits and of any separately allocated items of income or gain except adjustments required by the Code. Each Member's Capital Account shall be decreased by (1) the amount of money actually distributed by the Company to the Member, (2) the fair market value of any property distributed to the Member, as determined by the Company and the Member at arm's length at the time of distribution (net of liabilities of the Company assumed by the Member or subject to which the Member takes such property within the meaning of § 752 of the Code), and (3) the Member's share of Net Losses and of any separately allocated items of deduction or loss.

4.7 Distribution of assets.

If the Company at any time distributes any of its assets in-kind to any Member, the Capital Account of each Member shall be adjusted to account for that Member's allocable share of the Net Profits or Net Losses that would have been realized by the Company had it sold the assets that were distributed at their respective fair market value immediately prior to their distribution.

4.8 Sale or exchange of interest.

In the event of a sale or exchange of some or all of the Member's Interest in the Company, the Capital Account of the transferring Member shall become the Capital Account of the assignee, to the extent it relates to the portion of the interest transferred.

4.9 Compliance with Section 704(b) of the Code.

The provisions of this Article IV as they related to the maintenance of Capital Accounts are intended, and shall be construed, and, if necessary, modified to cause the allocations of profits, losses, income, gain and credit pursuant to Article V to have substantial economic effect under the Regulations promulgated under § 704(b) of the Code, in light of the distributions made pursuant to Articles V and XI and the Capital Contributions made pursuant to this Article IV. In cases where § 704(C) and § 1.704-3 of the Regulations apply to Company property, Members' Capital Accounts shall be adjusted in accordance with § 1.704-1(b)(2)(iv)(g) of the Regulations for allocations to them of income, gain, loss, and deduction (including depreciation, depletion, amortization, or other cost recovery) as computed for book purposes, with respect to property. Notwithstanding anything herein

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such Member will be allocated items of income and gain (consisting of a pro rata portion of each item of partnership income and gain for such year) in an amount and manner sufficient to offset such Offsettable Decrease as quickly as possible.

5.5 Interim distributions.

From time to time, the Managing Members shall determine in their reasonable judgment to what extent, if any, the Company's cash on hand exceeds the current and anticipated needs, including, without limitation, needs for operating expenses, debt service, acquisitions, reserves, and mandatory distributions, if any. To the extent such excess exists, the Members may make distributions to the Members in the same proportions as Net Profits and Net Losses are allocated to Members. Such distributions shall be in cash or property (which need not be distributed proportionately) or partly in both, as determined by the Members.

ARTICLE VI
MANAGEMENT BY MEMBERS

6.1 Management by members.

Subject to the provisions of Section 6.2, (i) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the joint direction of all of the Members; and (ii) upon the agreement and consent of all of the Members, the Members may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement, including, without limitation, the following:

A. entering into, making, and performing contracts, agreements, and other undertakings binding the Company that may be necessary, appropriate, or advisable in furtherance of the purposes of the Company and making all decisions and waivers thereunder;

B. opening and maintaining bank and investment accounts and arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements;

C. maintaining the assets of the Company in good order;

D. collecting sums due the Company;

E. to the extent that funds of the Company are available therefor, paying debts and obligations of the Company;

F. acquiring, utilizing for Company purposes, and disposing of any asset of the Company;

G. borrowing money or otherwise committing the credit of the Company for Company activities and voluntary prepayments or extensions of debt;

H. selecting, removing, and changing the authority and responsibility of lawyers, accountants, and other advisers and consultants;

I. obtaining insurance for the Company;

J. determining distributions of Company cash and other property as provided in Section

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5.5.

6.2 Actions by members; committees; delegation of authority and duties.

A. In managing the business and affairs of the Company and exercising its powers, the Members shall act (i) collectively with the approval of all Members acting through meetings and written consents as may be provided or limited in other provisions of this Operating Agreement; (ii) through committees pursuant to Section 6.2 B; and (iii) through Members to whom authority and duties have been delegated pursuant to Section 6.2 C. Except as otherwise set forth herein, all decisions and actions of the Company must be approved by all of the Members.

B. With the approval of all of the Members, the Members may, from time to time, designate one or more committees, each of which shall be comprised of one or more Members. Any such committee, to the extent provided in such resolution or in the Articles or this Operating Agreement, shall have and may exercise all of the authority of the Members, subject to the limitations set forth in the Act. At every meeting of any such committee, the presence of a majority of all the Members thereof shall constitute a quorum, and the affirmative vote of a majority of the Members present shall be necessary for the adopting of any resolution. The Members may dissolve any committee at any time, unless otherwise provided in the Articles or this Operating Agreement.

C. All of the Members may, from time to time, delegate to one or more Members such authority and duties as the Members may deem advisable. In addition, the Members may assign titles (including, without limitation, president, vice president, secretary, assistant secretary, treasurer and assistant treasurer) to any such Member. Unless the Members decide otherwise, if the title is one commonly used for officers of a business corporation, the assignment of such title shall constitute the delegation to such Member of the authority and duties that are normally associated with that office, subject to any specific delegation of authority and duties made pursuant to the first sentence of this Section 6.2 C. Any number of titles may be held by the same Member. Any delegation pursuant to this Section 6.2 C may be revoked at any time by the Members at least 10% of the ownership interest in the Company.

D. Any Person dealing with the Company, other than a Member, must receive the approval of all of the Members unless otherwise provided herein, and any Person may NOT rely on the authority of any individual Member or officer in taking any action in the name of the Company, regardless of whether that action actually is taken in accordance with the provisions of this Operating Agreement.

6.3 Powers of members.

Subject to the requirement of being approved by all of the Members in order to take any action on behalf of the Company, every Member is an agent of the Company for the purpose of its business or affairs, but as provided herein, all actions and commitments of the Company must be approved by all of the Members of the Company unless otherwise set forth in this Operating Agreement. The act of any Member including, but not limited to, the execution in the name of the Company of any instrument, for apparently carrying on in the usual way the Company business or businesses of the kind carried on by the Company which has been approved by all of the Members of the Company binds the Company. No individual Member has the authority to bind or commit the Company without the approval of all of the Members.

6.4 Acquisition and Sale of Property.

The Company shall acquire, lease and sell all of its real Property as set forth herein. The

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decision to acquire or sell any Property must be mutually agreed upon by all Members. As provided above, the purchase, lease, exchange or sale of any Company Property must be approved by all of the Members.

ARTICLE VII
INDEMNIFICATION

7.1 Indemnification.

The Company shall indemnify the Members, and agents for all costs, losses, liabilities, and damages paid or accrued by such Members, or agents in connection with the business of the Company, to the fullest extent provided or allowed by the laws of the State.

ARTICLE VIII
TAXES

8.1 Tax Matters Partner.

The Members shall designate one of their number, as the tax matters partner of the Company pursuant to § 6231(a)(7) of the Code. Any Member designated as tax matters partner shall take such action as may be necessary to cause each other Member to become a notice partner within the meaning of § 6223 of the Code. Any Member who is designated tax matter partner may not take any action contemplated by §§ 6222 through 6232 of the Code without the consent of a Required Interest.

ARTICLE IX
NOTICE

9.1 Notice.

Any notice or communication required or permitted to be given by any provision of this Operating Agreement shall be in writing and shall be deemed to have been given and received by the Person to whom directed (a) when delivered personally to such Person or to a Member of the Company to which directed, or (b) when posted in the United States mails if sent by registered or certified mail, postage and charges prepaid, addressed to the Person to which directed at the address of which such Person has notified the Company and all of the Members.

ARTICLE X
DISSOLUTION, LIQUIDATION, AND TERMINATION

10.1 Dissolution.

The Company shall dissolve and its affairs shall be wound upon the first to occur of the following:

A. the written consent of all Members;

B. the expiration of the period fixed for the duration of the Company set forth in the Articles;

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C. upon the death, bankruptcy, or dissolution of a Member or the occurrence of any other event which terminates the continued Membership of a Member in this Company, unless within ninety (90) days of an event described herein a Majority in Interest of the remaining Members agree in writing to continue the business of the Company; and

D. entry of a decree of judicial dissolution of the Company under Section 33-44-801(b) of the Act or administrative dissolution as provided in Section 33-44-809 of the Act.

10.2 Winding up and termination.

On dissolution of the Company, a Required Interest of the Members will appoint one or more Members as liquidator. The liquidator shall proceed diligently to wind up the affairs of the Company and make final distributions as provided herein and in the Act. The costs of liquidation shall be borne as a Company expense. Until final distribution, the liquidator shall continue to operate the Company properties with all of the power and authority of the Members. The steps to be accomplished by the liquidator are as follows:

A. as promptly as possible after dissolution and again after final liquidation, the liquidator shall cause a proper accounting to be made by a recognized firm of certified public accountants of the Company's assets, liabilities, and operations through the last day of the calendar month in which the dissolution occurs or the final liquidation is completed as applicable.

B. the liquidator shall cause the notice described in Section 33-44-807 of the Act to be mailed to each known creditor of and claimant against the Company in the manner described in such Section 33-44-808 of the Act;

C. the liquidator shall pay, satisfy or discharge from Company funds all of the debts, liabilities and obligations of the Company (including, without limitation, all expenses incurred in liquidation and any advances described in Section 4.5) or otherwise make adequate provision for payment and discharge thereof (including, without limitation, the establishment of a cash escrow fund for contingent liabilities in such amount and for such term as the liquidator may reasonably determine); and

D. all remaining assets of the Company shall be distributed to Members as follows:

(1) the liquidator may sell any or all Company property, including to Members, and any resulting gain or loss from each sale shall be computed and allocated to the capital accounts of the Members;

(2) with respect to all Company property that has not been sold, the fair market value of that property shall be determined and the capital accounts of the Members shall be adjusted to reflect the manner in which the unrealized income, gain, loss, and deduction inherent in property that has not been reflected in the capital accounts previously would be allocated among the Members if there were a taxable disposition of that property for the fair market value of that property on the date of distribution; and

(3) Company property shall be distributed among the Members in accordance with the positive capital account balances of the Members, as determined after taking into account all capital account adjustments for the taxable year of the Company during which the liquidation of the Company occurs (other than those made by reason of this clause (3)); and those distributions shall be made, if possible, by the end of the taxable year of the Company during which the liquidation of the Company occurs.

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All distributions in kind to the Members shall be made subject to the Liability of each distributee for costs, expenses, and liabilities theretofore incurred or for which the Company has committed and those costs, expenses, and liabilities shall be allocated to the distributee pursuant to this Section 10.2. To the extent that a Member returns funds to the Company, it has no claim against any other Member for those funds.

10.3 Deficit capital accounts.

Notwithstanding anything to the contrary contained in this Operating Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the capital account of any Member results from or is attributable to deductions and losses of the Company (including non-cash items such as depreciation) or distributions of money pursuant to this Operating Agreement to all Members in proportion to their respective interests in the Company, upon dissolution of the Company such deficit shall not be an asset of the Company and such Members shall not be obligated to contribute such amount to the Company to bring the balance of such Member's capital account to zero.

10.4 Articles of Termination.

After the dissolution of the limited liability company pursuant to Section 33-44-801 of the Act, the authorized Member shall file Articles of Termination with the Secretary of State of South Carolina and take such other actions as may be necessary to terminate the Company. An "Authorized Member" will be a Member or Members appointed by a Required Interest.

ARTICLE XI
GENERAL PROVISIONS

11.1 Books and records.

The Company shall maintain those books and records as and as it may deem necessary or desirable. All books and records shall be open to inspection of the Members from time to time. The Members may examine all such books and records at all reasonable times. The Company shall keep and maintain such records as the Members deem appropriate.

The Company shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

The Company shall keep in its registered office in South Carolina and make available to Members on reasonable request the street address of its principal United States Office in which the records required by this section are maintained or will be available.

The Company shall keep its books on the [cash or accrual] method of accounting.

11.2 Amendment or modification.

The Operating Agreement may be amended and modified from time to time only by a written instrument adopted and executed by all of the Members. No Member shall have any vested rights in the Operating Agreement.

11.3 Checks, notes, drafts, etc.

All checks, drafts or other orders for payment of money, notes or other evidences of

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indebtedness issued in the name of or payable to the Company shall be signed or endorsed by a designated person which may be appointed by a Required Interest of the Members. The designated person may be a officer(s), Member(s), or other person(s) as may from time be designated.

11.4 Headings.

The headings used in this Operating Agreement have been inserted for convenience only and do not constitute matter to be construed in interpretation.

11.5 Construction.

Whenever the context so requires, the gender of all words used in this Operating Agreement includes the masculine, feminine, and neuter, and the singular shall include the plural, and conversely. All references to Articles and Sections refer to articles and sections of this Operating Agreement, and all references to Exhibits, if any, are to Exhibits attached hereto, if any, each of which is made a part hereof for all purposes. If any portion of this Operating Agreement shall be invalid or inoperative, then, so far as is reasonable and possible:

A. The remainder of this Operating Agreement shall be considered valid and operative; and

B. Effect shall be given to the intent manifested by the portion held invalid or inoperative.

11.6 Entire agreement; supersedure.

This Operating Agreement constitutes the entire agreement of the Members and their Affiliates relating to the Company and supersedes all prior contracts or agreements with respect to the Company, whether oral or written.

11.7 Effect of waiver or consent.

A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Company is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Company. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Company, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

11.8 Binding effect.

Subject to the restrictions on Dispositions set forth in this Operating Agreement, this Operating Agreement is binding on and inures to the benefit of the Members and their respective heirs, legal representatives, successors, and assigns.

11.9 Governing law; severability.

This Operating Agreement is governed by and shall be construed in accordance with the law of the State of South Carolina excluding any conflict-of-laws rule or principle that might refer the

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governance or the construction of this Operating Agreement to the law of another jurisdiction. In the event of a direct conflict between the provisions of this Operating Agreement and (a) a mandatory provision of the Articles, or (b) any mandatory provision of the Act, the applicable provision of the Articles or the Act shall control. If any provision of this Operating Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Operating Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by law.

11.10 Further assurances.

In connection with this Operating Agreement and the transactions contemplated hereby, each Member shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Operating Agreement and those transactions.

11.11 Notice to members of provisions of this agreement.

By executing this Operating Agreement, each Member acknowledges that it has actual notice of (a) all of the provisions of this Operating Agreement, including, without limitation, the restrictions on the transfer of Membership set forth in Article III, and (b) all of the provisions of the Articles. Each Member hereby agrees that this Operating Agreement constitute adequate notice of all such provisions, and each Member hereby waives any requirement that any further notice thereunder be given.

11.12 Counterparts.

This Operating Agreement may be executed in any number of counterparts with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument.

11.13 Conflicting provisions.

To the extent that one or more provisions of this Operating Agreement appear to be in conflict with one another, then a Required Interest, shall have the right to choose which of the conflicting provisions are to be enforced. Wide latitude is given to a Required Interest, in interpreting the provision of this Operating Agreement to accomplish the purposes and objectives of the Company, and may apply this Operating Agreement in such a manner as to be in the best interest of the Company, in their sole discretion, even if such interpretation or choice of conflicting provisions to enforce is detrimental to one or more Members.

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The undersigned, being all of the initial Members, hereby certify that the foregoing Operating Agreement was unanimously adopted by the Members, effective the 21st day of November, 2012, TO WITNESS WHICH we have hereunto affixed our signatures.

Witnesses:

David Brosman

Gary Johnson

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EXHIBIT A

MEMBER	CAPITAL CONTRIBUTION	FAIR MARKET VALUE
David Brosman	Cash	$100.00
Gary Johnson	Cash	$100.00

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2021-CP-07-____
BLUE BELL HOLDINGS, LLC,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	**SUMMONS**
	)	
GARY C. JOHNSON,	)	**(**Jury Trial Demanded**)**
	)	
Defendant.	)	
	)	

TO: DEFENDANT ABOVE NAMED:

YOU ARE HEREBY SUMMONED and required to answer the Complaint in this action, a copy of which is herewith served upon you, and to serve a copy of your answer to the said Complaint on the Plaintiff by and through its attorney(s), J. Ashley Twombley of TWENGE + TWOMBLEY LAW FIRM, 311 Carteret Street, Beaufort, SC 29902, within thirty (30) days after the service hereof, exclusive of the day of such service, and if you fail to answer the Complaint within the time aforesaid, judgment by default will be rendered against you for the relief demanded in the Complaint. Any answer that you serve on the parties in this action must be filed with the Clerk of Court within a reasonable period of time after service.

TWENGE + TWOMBLEY LAW FIRM

BY: s/J. Ashley Twombley
J. ASHLEY TWOMBLEY (S.C. Bar #72916)
311 Carteret Street
Beaufort, SC 29902
(843) 982-0100
twombley@twlawfirm.com
Attorney for Plaintiff

Beaufort, South Carolina
October 26, 2021

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2021-CP-07-____
BLUE BELL HOLDINGS, LLC,	)	
	)	
Plaintiff,	)	
	)	
vs.	)	**COMPLAINT**
	)	
GARY C. JOHNSON,	)	**(**Jury Trial Demanded**)**
	)	
Defendant.	)	
	)	

TO: DEFENDANT ABOVE NAMED:

Blue Bell Holdings, LLC, hereinafter "Plaintiff," complaining of Gary C. Johnson, hereinafter "Defendant" or "Johnson" alleges as follows:

PARTIES, JURISDICTION, AND VENUE

1. Plaintiff is a limited liability company organized and existing pursuant to the laws of South Carolina with its principal place of business in Beaufort County, South Carolina.

2. Defendant is a citizen and resident of Beaufort County, South Carolina.

3. The acts and omissions complained of herein occurred in Beaufort, South Carolina.

4. Jurisdiction and venue in this Court are proper.

FACTUAL ALLEGATIONS

5. Plaintiff and Defendant each own a 50% interest in two (2) limited liability companies: 30 Haul Away, LLC and Island Funding, LLC. Each are South Carolina limited liability companies that were formed for the purpose of acquiring distressed real property and managing the properties for future sale at a profit.

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6. Plaintiff (or its predecessor in interest) and Defendant formally owned a 50% interest in a third LLC, 6 Shelley Court, LLC. It too was formed for the purpose of acquiring distressed real property and managing the properties for future sale at a profit.

7. 30 Haul Away LLC, Island Funding LLC, and 6 Shelley Court LLC (hereinafter "the LLCs") were formed on May 21, 2009, November 16, 2012, and December 11, 2009, respectively.

8. The operating agreements for the LLCs were entered into on or around the date of formation, and the LLCs are governed by their respective operating agreements and by the South Carolina Limited Liability Company Act found at S.C. Code § 33-44-101 to § 33-44-1208.

9. The operating agreements all provide that by signing them, each member represents and warrants that the execution, delivery, and performance under the operating agreement does not "conflict with any other agreement or arrangement to which that Member is a party or by which it is bound."

10. South Carolina Code § 33-44-409 spells out the fiduciary duties that are imposed on the members (in a member-run LLC), including the duties of care and loyalty, which are not and cannot be eliminated by contrary provisions in an operating agreement.

11. After the LLCs were formed, Defendant Johnson provided the day-to-day management of the LLCs, including but not limited to:

a. managing the LLCs bank accounts and company books;

b. selecting real properties to be purchased by the LLCs;

c. making management decisions related to the properties purchased;

d. selling properties for a profit;

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e. working with the LLCs' accountant to report financial transactions related to the LLCs and have tax returns prepared for the LLCs; and

f. distributing profits to the members.

12. Johnson was obligated to perform these activities in accordance with the terms of the operating agreements, South Carolina law, and in accordance with fiduciary duties owed.

Shoreline Funding, LLC and the Johnson Halpern Partnership

13. Plaintiff has recently discovered that, while managing the LLCs, Johnson breached the terms of the applicable operating agreements, breached S. C. Code § 33-44-409, and breached his fiduciary duties to Plaintiff in at least the following particulars:

- secretly forming a company called Shoreline Funding, LLC to compete with Island Funding, LLC, and operating that company in direct competition with the LLCs;
- joining a partnership or joint venture called the Johnson Halpern Partnership to compete with Island Funding, LLC, and operating that partnership in direct competition with the LLCs;
- misappropriating business opportunities from the LLCs to a) Shoreline Funding, LLC, b) the Johnson Halpern Partnership, and c) to himself individually despite his legal obligation to first offer those opportunities to the LLCs;
- secretly purchasing the following parcels of real estate on behalf of Shoreline Funding, the Johnson Halpern Partnership and his self individually to the detriment of Plaintiff:

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Property	TMP #	Purchase Price	Sale Price	Profit	Purchase Date	Sale Date
Shoreline Funding, LLC						
Lot 804 Basket walk	R600 028 000 1698 0000	$ 114,751.00	$ 142,000.00	$ 27,249.00	12/4/12	1/28/13
.570 AC HHI	R511 003 000 0147 0000	$ 105,000.00	$ 208,000.00	$ 103,000.00	3/7/13	1/10/14
Lot 217 Hampton Lake	R614 037 000 0504 0000	$ 32,726.00	$ 47,500.00	$ 14,774.00	6/14/13	8/6/13
Lot 41 Sandcastle	R511 009 000 1147 0000	$ 28,001.00	$ 150,000.00	$ 121,999.00	7/11/13	TBD
APT 46 Forest Gardens	R553 018 000 015B 0046	$ 76,000.00	$ 105,000.00	$ 29,000.00	1/2/14	7/7/14
APT 3324 SPA at PR	R510 005 000 008B 3324	$ 36,000.00	$ 68,000.00	$ 32,000.00	2/5/14	9/23/16
Unit 307 Bldg A-3 P-Bay	R550 010 000 0066 307C	$ 104,475.00	$ 176,000.00	$ 71,525.00	5/21/14	8/14/15
				$ 399,547.00		
Johnson Halpern Partnership						
UNT 6A Westwind HPR HHI	R501 006 00B 0019 006A	$ 361,000.00	$ 497,000.00	$ 136,000.00	12/4/12	2/14/13
LT 137 Duke of Beaufort Village	R600 020 000 0141 0000	$ 119,000.00	$ 169,900.00	$ 50,900.00	7/11/13	11/15/13
LT 135 Cottonwood Lane Dolphin Head	R510 002 00A 0547 0000	$ 263,000.00	$ 287,000.00	$ 24,000.00	3/17/14	10/20/14
				$ 210,900.00		
Gary C. Johnson						
LT 241 Moss Creek PL HHI	R600 040 00A 0180 0000	$ 107,100.00	$ 240,000.00	**$ 132,900.00**	4/15/13	12/5/13
			Total Profit	**$ 743,347.00**		

- improperly categorizing financial transactions involving the LLCs to benefit Johnson to the detriment of Plaintiff; and
- Converting money that belongs to the LLCs to himself.

30 Haul Away, LLC

14. In addition to the acts set forth above, and according to the Company's QuickBooks as last adjusted on March 16, 2021, Johnson has misappropriated money from 30 Haul Away, LLC and Plaintiff as follows:

Improper Characterization of Advances

- The 30 Haul Away Operating Agreement provides that any advancement made to the LLC by one member must be equally matched by the other member, and further, than any unequal advancement is to be treated as a loan to the LLC by the advancing member;

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- Since its formation, both Blue Bell and Johnson have made advances to 30 Haul Away, LLC;
- Johnson characterized the advances in an improper and unequal way that benefited himself and harmed Blue Bell;
- Specifically, Johnson has treated advances made by Blue Bell as "capital contributions" even though the operating agreement required him to treat the advances as loans; and
- 30 Haul Away, LLC is indebted to Blue Bell for net advances totaling $1,550,000.00, and accrued and unpaid interest on the advances made by Blue Bell using the Wall Street Journal prime rate from the date of each advance to October 1, 2021 of $574,230.48.

Unequal Cash Distributions

- The 30 Haul Away operating agreement provides that cash distributions are to be made to the members equally;
- Since formation, Mr. Johnson has been paid $152,877.94 in cash distributions, but Blue Bell has only been paid $34,376.55 in cash distributions; and
- Blue Bell is owed $118,501.39 to equalize the cash distributions, and $39,480.05 of accrued interest through October 1, 2021.

Summary 30 Haul Away, LLC

Unpaid advances	$1,550,000.00
Accrued interest on unpaid advances (net)	$565,920.35
Unequal cash distributions	$118,501.39
Accrued interest unequal cash distributions	$39,480.05
Plaintiff's Damage	**$2,273,901.79**

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Island Funding, LLC

Improper Characterization of Advances

15. In addition to the acts set forth above and according to the Company's QuickBooks as last adjusted on March 16, 2021, Johnson has misappropriated money from Island Funding, LLC and Plaintiff as follows:

- The Island Funding operating agreement provides that any advancement made to the LLC by one member must be equally matched by the other member, and further, than any unequal advancement is to be treated as a loan to the LLC by the advancing member;
- Since its formation, Johnson has made no advances to Island Funding, LLC yet Plaintiff (or its predecessor in interest) has made advances of $1,508,361.37;
- Island Funding is indebted to Blue Bell for $1,508,361.37 in advances and accrued and unpaid interest on the advances made by Blue Bell using the Wall Street Journal prime rate from the date of each advance to October 1, 2021 of $445,854.14;

Unequal Cash Distributions

- The Island Funding operating agreement provides that cash distributions are to be made to the members equally;
- Since formation, Mr. Johnson has been paid $561,183.59 in unequal cash distributions by writing himself the following checks:

Date	Number	Amount
06/28/2013	1090	21,188.00
09/16/2013	1171	1,307.00
09/16/2013	1173	6,508.00
09/16/2013	1174	277.00
11/20/2013	1239	5,704.58
06/25/2014	1433	8,582.63

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03/10/2015	1615	7,252.97
03/10/2015	1616	36,117.88
04/07/2017	1905	11,745.53
07/27/2017	1907	12,500.00
08/10/2017	1935	12,500.00
09/20/2017	1954	12,500.00
10/08/2017	1959	12,500.00
11/09/2017	1972	12,500.00
12/29/2017	2000	12,500.00
03/13/2018	2028	12,500.00
05/22/2018	2046	12,500.00
09/25/2018	2072	12,500.00
10/18/2018	2082	12,500.00
11/15/2018	2091	12,500.00
01/31/2019	2099	12,500.00
02/19/2019	2100	12,500.00
03/11/2019	2101	12,500.00
04/09/2019	2107	12,500.00
05/13/2019	2111	12,500.00
06/20/2019	2125	12,500.00
08/19/2019		12,500.00
10/07/2019	2131	12,500.00
10/17/2019	2139	12,500.00
11/01/2019	2145	12,500.00
12/04/2019	2099a	12,500.00
01/06/2020	2161	12,500.00
02/01/2020	2166	12,500.00
03/09/2020	2182	12,500.00
04/06/2020	2188	12,500.00
05/11/2020	2196	12,500.00
06/18/2020	2204	12,500.00
07/03/2020	2203	12,500.00
08/07/2020	2209	12,500.00
09/04/2020	2213	12,500.00
10/02/2020	2219	12,500.00
11/04/2020	2230	12,500.00
12/07/2020	2233	12,500.00
01/12/2021	2244	12,500.00
02/09/2021	2254	12,500.00
03/09/2021	2263	12,500.00
	Total	561,183.59

- Blue Bell is owed $561,183.59 to equalize the cash distributions, and $67,371.23 of accrued interest through October 1, 2021.

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Summary Island Funding, LLC

Unpaid advances	$1,508,361.37
Accrued interest on unpaid advances	$445,854.14
Unequal cash distributions	$561,183.59
Accrued interest unequal cash distributions	$67,371.23
Plaintiff's Damage	**$2,582,770.32**

6 Shelley Court, LLC

Improper Characterization of Advances

16. In addition to the acts set forth above and according to the Company's QuickBooks as last adjusted on September 30, 2019, Johnson has misappropriated money from 6 Shelley Court, LLC and Plaintiff as follows:

- The 6 Shelley Court operating agreement provides that any advancement made to the LLC by one member must be equally matched by the other member, and further, than any unequal advancement is to be treated as a loan to the LLC by the advancing member;
- Immediately prior to the dissolution of the LLC, 6 Shelley Court, LLC was indebted to Blue Bell for net advances totaling $233,339.86;
- Accrued and unpaid interest on net advances made by Blue Bell using the Wall Street Journal prime rate from the date of each advance to October 1, 2021 is $99,885.68 accrued in favor of Blue Bell;

Summary 6 Shelley Court, LLC

Unpaid advances (net of Johnson advances)	$222,987.86
Accrued interest on unpaid advances	$87,076.68
Plaintiff's Damages	**$310,064.54**

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17. In addition to the acts set forth above and according to the LLCs' latest available QuickBooks, Johnson has caused 30 Haul Away, LLC to loan over $1.5 million to Island Funding, LLC and such amount remains unpaid.

18. Johnson also caused 6 Shelley Court, LLC to loan Island Funding, LLC $374,067 and such amount remains unpaid notwithstanding 6 Shelley Court, LLC's dissolution during 2019, and, Island Funding, LLC has loaned Ocean Trust over $600,000.

FOR A FIRST CAUSE OF ACTION
(Receiver, Injunction, TRO)

19. All allegations set forth above are incorporated herein and are repeated verbatim.

20. This Honorable Court should appoint a receiver pursuant to S.C. Code § 15-65-10.

21. Plaintiff has established an apparent right to property which is the subject of the action, namely, its interest in the LLCs and the LLCs' assets.

22. Johnson is in the possession of said property and refuses to allow Plaintiff to participate in the management of the property or maintain the status quo while this action is pending.

23. The rents and profits of the LLCs are in danger of being lost or materially injured or impaired.

24. The Court should appoint a receiver pursuant to S.C. Code § 15-65-10.

25. In the alternative, the Court should grant a Temporary Restraining Order to enjoin Johnson from engaging in any financial transactions on behalf of the LLCs until a consent order can be entered establishing appropriate protocols to protect both members of the LLCs.

26. In addition, the Court should grant Plaintiff an injunction maintaining the status quo until these matters can be resolved or determined by the Court.

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FOR A SECOND CAUSE OF ACTION
(Breach of Fiduciary Duties)

27. All allegations set forth above are incorporated herein as if repeated verbatim.

28. Johnson owed fiduciary duties to Plaintiff.

29. Johnson breached his fiduciary duties in the various manners as set forth above.

30. As a result of Johnson's breach of his duties, Plaintiff has been damaged in an amount to be proven at the trial of this action.

31. Johnson's breaches of his fiduciary duties were willful, wanton, and in reckless disregard of Plaintiff's rights, and therefore, Plaintiff is entitled to an award of actual and punitive damages.

FOR A THIRD CAUSE OF ACTION
(Conversion)

32. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove as if repeated here verbatim.

33. Plaintiff has a possessory interest in the profits from the LLCs.

34. Defendant intentionally interfered with Plaintiff's possession of those profits.

35. Defendant (without authorization) assumed and exercised the right of ownership over funds that belonged to Plaintiff to the detriment of Plaintiff who otherwise held rights to said funds.

36. Defendant's acts are the legal cause of Plaintiff's loss of property.

FOR A FOURTH CAUSE OF ACTION
(Breach of Contract/Breach of Obligation of Good Faith and Fair Dealing)

37. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove as if repeated here verbatim.

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38. The operating agreements, along with South Carolina law, govern Plaintiff and Defendant as the members of the LLCs.

39. The Operating Agreements contain an obligation of good faith and fair dealing.

40. Johnson has breached the Operating Agreements and the obligation of good faith and fair dealing as set forth above.

41. Johnson's breaches are material and occurred without any breach having been committed by Plaintiff or any other justification for Johnson's failure to perform.

42. Johnson's breaches of the Operating Agreements and the obligation of good faith and fair dealing constitute negligent, grossly negligent, reckless, willful, and intentional acts and omissions.

43. The failure of Johnson to perform in accordance with the Operating Agreements and the obligation of good faith and fair dealing has proximately caused Plaintiff to suffer damages and injuries.

44. Plaintiff is entitled to recover actual and punitive damages from Johnson in an amount to be established at trial.

FOR A FIFTH CAUSE OF ACTION
(Judicial Dissociation/Expulsion of Johnson)

45. Plaintiff realleges and incorporates herein by reference the allegations set forth hereinabove.

46. Johnson has engaged in wrongful conduct that has adversely and materially affected and continues to adversely and materially affect the LLCs and Plaintiff, as is set out above.

47. The conduct of Johnson is also such that it constitutes willful and material breaches of the duties owed by Johnson to the LLCs and Plaintiff, as is set forth herein, including but not

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limited to the causes of action for Breach of Fiduciary Duties, Breach of Contract/Breach of Obligation of Good Faith and Fair Dealing, and Conversion.

48. The conduct of Johnson as alleged herein is also such that it makes it not reasonably practicable to carry on the business of the LLCs with Johnson continuing to be a part thereof.

49. Johnson has engaged in wrongful conduct that adversely and materially affected and continues to affect the LLCs' business and engaged in conduct relating to the LLCs' business which makes it not reasonably practicable to carry on the business with Johnson as a member.

50. Plaintiff is therefore informed and believes that as an alternative to a decree declaring that Johnson be dissociated from the LLCs, Plaintiff is entitled to a decree pursuant to S.C. Code § 33-44-601(6) dissociating Johnson from any and all interest in the LLCs, along with an order (1) directing the parties to engage in the dissolution, liquidation and termination process as set forth in the Operating Agreements, (2) determining the amount of damage caused to the LLCs and to Plaintiff by Johnson's conduct, and (3) directing that the value of Johnson's membership interest be reduced by the amount of damage determined to have been caused to the LLCs and to Plaintiff by the wrongful conduct of Johnson.

WHEREFORE, Plaintiff, Blue Bell Holdings, LLC prays:

a) for a jury trial on all claims triable by jury and for all damages available under the law;

b) for an order (1) declaring that Johnson be dissociated from the LLCs, (2) directing the parties to engage in the dissolution, liquidation and termination process as set forth in the Operating Agreements, (3) determining the amount of damage caused to the LLCs and to Plaintiff by Johnson's conduct, and (4) directing that the value of Johnson's membership interest be reduced by the amount of damage determined

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to have been caused to the LLCs and to Plaintiff by the wrongful conduct of Johnson;

c) in the alternative, for an order (1) dissociating Johnson from any and all interest therein, pursuant to S.C. Code § 33-44-601(6), (2) directing the parties to engage in the dissolution, liquidation and termination process as set forth in the Operating Agreements, (3) determining the amount of damage caused to the LLCs and to Plaintiff by Johnson's conduct, and (4) directing that the value of Johnson's membership interest be reduced by the amount of damage determined to have been caused to the LLCs and to Plaintiff by the wrongful conduct of Johnson;

d) for an award of actual and punitive damages against Johnson in amounts to be determined at trial;

e) for an award of attorney's fees and costs of this action;

f) for such other and further relief as may be just and proper under these circumstances.

TWENGE + TWOMBLEY LAW FIRM

BY: s/J. Ashley Twombley

J. ASHLEY TWOMBLEY
S.C. Bar #72916
311 Carteret Street
Beaufort, SC 29902
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Attorney for Plaintiff

Beaufort, South Carolina

October 26, 2021

Authentisign ID: 7B1D023D-73E7-4AFC-831C-47387D4CFCDB

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CONTRACT OF SALE - OFFER AND ACCEPTANCE

This Contract of Sale - Offer and Acceptance ("Contract") is entered into by and between:

Gary C Johnson or Assigned, LLC TBD
("Purchaser") whose address is set forth on Signature Page, and

H Peter & Janet E Montminy
("Seller") whose address is set forth on Signature Page.

THE [X] PURCHASER [ ] SELLER IS A SOUTH CAROLINA REAL ESTATE LICENSEE.

ALL TIME PERIODS USED IN THIS CONTRACT SHALL BE CALCULATED BY CALENDAR DAYS AND NOT BUSINESS DAYS.

1. **PROPERTY DESCRIPTION.** Purchaser agrees to purchase, and Seller agrees to sell, all that lot or parcel of land, with all improvements thereon, and any interest appurtenant thereto, situated in South Carolina and being described as follows:

Legal: 7118 Harbourside I Villas

Mailing: 17 Harbourside Lane 7118 Hilton Head Island SC 29928 (the "Property")

2. **PURCHASE PRICE.** The total Purchase Price for the Property is $ 501,000.00 to be paid by Purchaser as follows:

a.	Earnest Money ("Deposit") - delivered to Escrow Agent within 3 days of Effective Date	$ 25,000.00
b.	Additional Deposit to be paid by	$
c.	A First Mortgage for at least 0 years at prevailing interest rates and terms	$
d.	Balance in collected funds at Closing	$ 476,000.00

3. **FINANCING CONTINGENCY.** If a mortgage is referred to in Section 2, this Contract is subject to the Purchaser obtaining a financing commitment from a Nationwide Mortgage Licensing System & Registry approved mortgagee or mortgage broker. Purchaser shall use best efforts to obtain financing and shall supply the prospective lender(s) with all requisite information.

a. **Purchaser shall complete a loan application and must provide a prequalified letter from the lender within _____ days.**

b. **Purchaser shall obtain a loan commitment within _____ days ("Financing Contingency Period").**

All time periods run from the Effective Date defined on Signature Page. If Purchaser's bona fide loan application does not result in a commitment within the Financing Contingency Period, Purchaser shall have the affirmative obligation of providing written notice to Seller that the financing contingency has not been satisfied, and that the Purchaser has elected to terminate this

Initials: Purchaser GJ Date 11/03/2021 Seller [signature] Date 11-3-21

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Contract. Such notice must include a lender's loan denial letter and must be provided during the Financing Contingency Period. Upon receipt of notice and execution of any required release forms, the Escrow Agent (defined in Section 9 of this Contract) shall return the Deposit to the Purchaser. Upon such payment, this Contract shall have no force or effect, and neither party hereto shall have any rights against the other hereunder. **The parties acknowledge and agree that time is of the essence with respect to the Financing Contingency Period. No right to cure shall apply to the Financing Contingency Period. If Purchaser does not provide Seller written notice of failure to obtain financing during the Financing Contingency Period, the financing contingency shall be waived. Purchaser acknowledges that this financing contingency is limited in time.**

4. **FURNISHINGS, SYSTEMS AND APPLIANCES.** The Property includes all heating and air conditioning systems, all electric and plumbing systems, all fixtures attached to the Property, and shall additionally include the following:

[X] Refrigerator [ ] Freezer [X] Washer [X] Dryer [X] Stove/Oven [X] Microwave [X] Cook Top & Attachments
[X] Dishwasher [ ] Ceiling Fans [ ] Irrigation System [ ] Pool Equipment [ ] Septic System [ ] Window Treatments
[ ] Wine Refrigerator [ ] Bathroom Mirrors [ ] Water Softener [X] Furnished [ ] Other

If sold furnished, all furniture and furnishings are included unless specifically excepted by an attached list of excluded items.

5. **WOOD INFESTATION REPORT.** Seller agrees to provide at its expense an "Official South Carolina Wood Infestation Report (CL-100)" in which no infestation or damage is reported, or if there is damage observed, it is cosmetic only and insufficient to recommend repair. Such report must be dated within 30 days of the Closing and shall be provided to Purchaser's closing attorney not less than 14 days prior to Closing. If infestation by termites or other wood destroying organisms, or damage sufficient to recommend repair in the opinion of a licensed contractor, is observed, Seller shall cause same to be eradicated and/or repaired prior to Closing. If repairs are not completed by the Closing, then Purchaser shall have the option of (a) delaying Closing until the repairs are completed, or (b) if permitted by Purchaser's lender, Seller shall permit Purchaser's closing attorney to escrow funds from the sales proceeds at Closing in an amount equal to the costs of such repair. If the Property has not been previously occupied, Seller shall provide the Purchaser by Closing a written certification from a licensed pest control operator certifying that the dwelling has been treated by soil poisoning for the prevention of termites and other wood destroying organisms.

6. **OTHER TERMS.** Other terms and conditions of this Contract are:
~~Section 6 shall apply to those appliances and systems referenced in the first section of section 5.~~ [gcJ] [GJ]

7. **DATE OF CLOSING.** The closing of this Contract shall take place on or before Dec 2nd, 2021 (the "Closing") at the office of Purchaser's attorney or other offices stipulated by Purchaser. Unless otherwise provided herein, Seller shall deliver possession of, and keys to, the Property, free of debris and in a clean condition, to Purchaser at Closing. Seller and Purchaser authorize their respective attorneys and the settlement agent to furnish to Listing Broker and Selling Broker copies of the final closing statements for the transaction.

Initials: Purchaser [gcJ] Date 11/03/2021 Seller _____ Date 11-3-21

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8. **CONDITION OF PROPERTY.** At Closing, all appliances and systems referenced in Section 4, including heating, air conditioning, electric, mechanical and plumbing systems, fireplace/chimney, irrigation, pool and spa, shall be in good working order, and their physical condition shall be subject to reasonable wear and tear regardless of age. Further, the structure shall be reasonably sound and the roof free of leaks at Closing. Purchaser, at Purchaser's expense, may have inspections of the Property performed by licensed professionals. All such inspections must be completed within N/A days of the Effective Date ("Inspection Period"). Within the Inspection Period, Seller or Seller's broker must be provided with a copy of all inspection reports, identifying any repairs for the Seller to address. Seller shall make repairs recommended in said report which are required under this Section 8. Seller shall respond to Purchaser's request for repairs within seven (7) days from receipt of the request for repairs. Purchaser and Seller agree that no repairs, other than those related to this Paragraph 8, are required unless said repairs are expressly included in this Contract. In the event that Purchaser and Seller cannot agree upon repairs requested by Purchaser pursuant to this Contract, Purchaser shall have the option of (a) accepting the Property with the repairs, if any, that Seller is willing to pay for; or (b) terminate the Contract by written notice delivered to Seller within seventy-two (72) hours of receipt of Seller's response. In the event the agreed upon repairs are not completed by the Closing, then Purchaser shall have the option of (a) delaying Closing until the repairs are completed, or (b) if permitted by Purchaser's lender, Seller shall permit Purchaser's closing attorney to escrow funds from the sales proceeds at Closing in an amount equal to the cost of such repair(s). Other than the Property condition requirements set forth in this Section, the Property shall be conveyed in its present condition "As Is". "As is" means the Property shall be conveyed in the condition existing on the Effective Date, subject to the terms of this Contract. The Property is a resale property. It is not new construction. Normal wear and tear is to be expected. For example, appliance rust, overgrown or dead landscaping, tile or countertop cracks, missing or torn screens, uneven walkways or driveways and fogged windows, are considered normal wear and tear and are not subject to repair but windows shall open, close and operate as intended unless otherwise required by this Contract. Seller shall not be obligated to make the Property comply with current building codes if the Property was constructed in compliance with the then applicable building codes. The Property shall be habitable, and Seller must repair deficiencies which render the Property uninhabitable as determined by licensed professionals. Purchaser and/or Purchaser's representative shall be permitted to conduct a walk-through inspection prior to Closing to re-inspect the Property and verify the completion of any Seller repairs.

9. **DEPOSITS/DEFAULT.** The Deposit shall be applied toward the Purchase Price at Closing. Upon the failure of either party to comply with the terms hereof within the stipulated time, and after notice of said default is provided pursuant to the notice provisions of Section 15, with a 10 day right to cure, it is understood and agreed by and between the parties hereto that either party may proceed with all rights and remedies at law or in equity against the defaulting party. In the case of a Purchaser default, the Seller may elect, in lieu of all other remedies, the forfeiture of the Deposit as liquidated and agreed upon damages. The parties agree that the Escrow Agent shall not disburse the Deposit until Seller and Purchaser have executed a release form authorizing the disbursement or until a court of competent jurisdiction has directed a disbursement; provided, however, that Purchaser and Seller agree not to unreasonably withhold said consent. Upon the expiration of five (5) years from the date of the Closing without the written agreement of the parties directing the disbursement of the Deposit, or the initiation of a lawsuit to determine the distribution of the Deposit, Escrow Agent may disburse the Deposit to the South Carolina Treasurer as unclaimed property. In the event of any litigation commenced because of a default hereunder, the prevailing parties in such litigation shall be entitled to recover attorney fees and court costs from the non-prevailing parties. The parties hereto hereby acknowledge that the Deposit shall be held in escrow by Purchasers Attorney (the "Escrow Agent"). **Due to potential criminal activity, parties are encouraged to verify all wire instructions with the Escrow Agent prior to remittance of funds.** Additionally, the parties authorize the Escrow Agent to transfer the Deposit to the settlement agent in advance of Closing and confirm receipt of Deposit upon request of brokers affiliated with this Contract. The Escrow Agent shall not be required to institute or maintain any litigation unless indemnified to its satisfaction for its attorney fees, cost disbursements, and all other expenses and liabilities to which it may, in its judgment, be subjected in connection with this action. The Seller and Purchaser shall at all times indemnify the Escrow Agent against all actions, proceedings, claims and demands arising out of this transaction relating to the holding of the Deposit. In the event of a dispute between the Seller and Purchaser which cannot be resolved, the Escrow Agent shall have the option of depositing the Deposit into the Clerk of Court's Office, pending resolution of the disposition of said funds, and Escrow Agent shall bear no further responsibility for said Deposit.

10. **RISK OF LOSS AND DAMAGE.** In case the Property is wholly or substantially damaged by fire, storm or other casualty, Purchaser may elect, within 20 days after receiving written notice thereof, to proceed hereunder with a mutually agreed adjustment in the terms of this Contract, or terminate this Contract and receive back all money deposited hereunder. **In the event the Property is damaged by the Purchaser, or by any person upon the Property on the Purchaser's behalf (i.e. , inspector), such damage shall be repaired at Purchaser's expense.**

Initials: Purchaser gcJ Date 11/03/2021 Seller _____ Date 11-3-21

This form was created using Instanet Forms and is licensed for use solely by Holly Angel under an Agreement with MLS of Hilton Head Island Inc. Instanetforms.com HollyAnnLLC 000034

Authentisign ID: 7B1D023D-73E7-4AFC-831C-47387D4CFCDB

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11. **PRORATIONS; CLOSING COSTS; ASSESSMENTS.** All expenses of ownership (and rents, if any) shall be prorated to the date of Closing. Purchaser agrees to purchase from Seller the fuel, if any, situated in any tank on the Property at the prevailing rate with the cost of measurement thereof being paid by Seller. Purchaser is responsible for any Town, City or County Transfer fee, and for the County recording fees for the deed and any loan documents. Additionally, Purchaser shall pay the cost of securing a title examination, title insurance, and a survey (except any survey required by the South Carolina Coastal Tidelands & Wetlands Act, which is the responsibility of Seller). Unless otherwise agreed to in this Contract, Purchaser shall assume outstanding assessments or fees, if any, to cover the costs of water and/or sewer infrastructure. Seller shall be responsible for the South Carolina deed-recording fee required by SC Code §12-24-10. Each party shall pay its own attorney's fees. Unless otherwise agreed to in this Contract, Seller shall be obligated to pay any regime or property owner association special assessment approved by its Board of Directors or similar body prior to Closing; provided, however, if such special assessment is levied and/or billed in installments over more than one year, the Seller shall be obligated to pay the installment for the full current calendar year of Closing only, and the Purchaser shall assume the installments in future calendar years. Notwithstanding the foregoing, a special assessment to cover insurance premiums, whenever assessed prior to Closing, shall be pro-rated based on ownership over the period covered by the premium.

The Property [X] does [ ] does not have a homeowners' association transfer fee, community enhancement fee, or initiation fee due upon the transfer of the Property. If applicable, said fee is based on a percentage of the Purchase Price or is a flat fee and shall be paid by the [ ] Seller [X] Purchaser. The foregoing is not intended to include processing or administrative fees charged by owner association management agents, and such processing or administrative fees are to be paid by Seller.

12. **BROKER DISCLAIMER.** Seller and Purchaser agree that the brokers, as listed on page 7 of this Contract, are acting only as real estate agents or brokers in this transaction and as such have no responsibility for and make no oral or written representations concerning the condition of the premises, terms of the sale or title to the Property, nor are they responsible or accountable for payment of the Purchase Price or for any other funds, except any portion of the Deposit actually received. Purchaser and Seller are responsible for seeking legal advice on their own behalf prior to entering into this Contract and shall not rely on real estate agents or brokers to provide legal advice. Neither broker guarantees payment of any check received as deposit money hereunder. Seller and Purchaser acknowledge that the brokers: (1) give no guaranty or warranty of any kind, express or implied, as to the physical condition of the Property; (2) give no warranty, express or implied, as to the merchantability or fitness for a particular purpose regarding the Property; (3) give no guaranty or warranty concerning any inspection or report concerning the Property or the accuracy of any published square footage of the Property; (4) give no guaranties or warranties regarding any rental income or other economic benefit of the Property to Purchaser; (5) give no guaranties or warranties regarding any regime or property owner association special assessments which may apply to the Property; and (6) are not responsible for the accuracy of any information contained in the Seller's Property Condition Disclosure Statement. The Selling Agent, or the transaction broker providing services to Purchaser, recommends that the Purchaser obtain professional inspections of the Property.

13. **TITLE.** Seller shall convey marketable title to the Property to Purchaser in fee simple by proper deed in recordable form with covenants of general warranty, subject to normal utility easements, applicable restrictive covenants, governmental regulations and assessments. If an owner's title binder can be issued by an ALTA title insurance company at standard rates with standard exceptions for the Beaufort County and surrounding area, title shall be deemed to be marketable. Purchaser acknowledges that the Selling Agent, or the transaction broker providing services to Purchaser, has recommended that an attorney examine the title to the Property on Purchaser's behalf. If the Property is a condominium or subject to covenants or restrictions, Purchaser shall have the obligation to verify all regime and property owner regular or special assessments.

14. **NON-RESIDENT TAX WITHHOLDING.** Seller shall comply with the provisions of South Carolina Code §12-8-580 and U.S. Internal Revenue Code §1445 (as amended) regarding withholding requirements for sellers who are not South Carolina or U.S. residents.

Initials: Purchaser GJ Date 11/03/2021 Seller _____ Date 11-3-21

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Authentisign ID: 7B1D023D-73E7-4AFC-831C-47387D4CFCDB

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15. Notice. Each notice required or permitted to be given under this Contract ("Notice") must comply with the requirements of this Section 15. Any such Notice shall be in writing and shall be deemed to have been given if delivered by hand, email (provided that the recipient returns emailed confirmation of receipt), facsimile, recognized overnight courier service (such as UPS or Federal Express), or mailed by certified mail, return receipt requested, with postage prepaid and addressed:

a. to the party at the address set forth on Signature Page herein; or

b. to the Seller or Purchaser's real estate agent (or transaction broker) or closing attorney.

16. MEGAN'S LAW. The Purchaser and Seller agree that the Listing and Selling Broker listed on Signature Page hereof and all affiliated agents are not responsible for obtaining or disclosing any information contained in the South Carolina Sex Offender Registry. The Purchaser and Seller agree that no course of action may be brought against the Listing and Selling Broker listed on Signature Page hereof and all affiliated agents for failure to obtain or disclose any information contained in the South Carolina Sex Offender Registry. The Purchaser and Seller agree that the Purchaser and Seller have the sole responsibility to obtain any such information. The Purchaser and Seller understand that Sex Offender Registry information may be obtained from the local sheriff's department or other appropriate law enforcement officials.

17. STATUTORY AND OTHER ADDENDA.

a. In the event the Property is affected by the provisions of the South Carolina Coastal Tidelands & Wetlands Act (Paragraph 48-39-10, et. seq., South Carolina Code of Laws), an Addendum will be attached to this Agreement incorporating the required disclosures at Seller's expense.

b. The Purchaser has [X] has not [ ] reviewed a South Carolina Property Condition Disclosure Statement.

c. The South Carolina Vacation Rental Act does [ ] does not [X] apply to this transaction.

d. This Contract applies [ ] does not apply [X] to a residence built prior to 1978. If such residence was built prior to 1978, this Contract is subject to the Lead Based Paint Contingency Addendum and the Lead Based Paint Disclosure, both of which are attached hereto.

e. Flood Insurance is required [ ] is not required [X] for any federally insured mortgage on the Property.

f. A list of excluded items per Section 4 is [ ] is not [X] attached hereto.

g. Also attached hereto and incorporated herein are the following Addenda:

18. MISCELLANEOUS. The invalidity or unenforceability of any provision of this Contract shall not affect the other provisions hereof and this Contract shall be construed in all respects as if such invalid and unenforceable provision were omitted. This Contract may be executed in counterparts, each of which shall be deemed to be an original. The parties agree that any offer, counteroffer, and/or acceptance may be communicated by the use of facsimile (FAX), e-mail, DocuSign or other similar electronic signature software, and that the signatures, initials, and handwritten or typewritten modifications to any of the foregoing shall be deemed to be valid and binding upon the parties as if the originals were present on the documents in the handwriting of each party. This Contract shall be governed and construed in accordance with the laws of the State of South Carolina. No failure of a party to exercise any power or right granted hereunder, or to insist upon strict compliance with any obligation specified herein, and no practice of variance with the terms hereof, shall constitute a waiver of said power or right unless expressly authorized in writing by the affected party. If either party is a corporation, limited liability company, trust, or partnership, it shall provide evidence that: (i) the persons executing this Contract are authorized to act on behalf of the entity, and (ii) that the entity is validly and legally existing and in good standing. The undersigned individuals agree that the principals of the purchasing entity will personally endorse any financing described above if required by the lender. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, devisees, personal representatives, successors and assigns. This Contract may not be assigned by Purchaser without Seller's written consent which consent shall not be unreasonably withheld. In the event of such approved assignment, the original Purchaser shall not be released from its obligations under this Contract unless otherwise agreed. This Contract constitutes the entire agreement between the parties hereto and may be modified only in writing.

Initials: Purchaser GJ Date 11/03/2021 Seller _____ Date 11/3/2021

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Authentisign ID: 7B1D023D-73E7-4AFC-831C-47387D4CFCDB

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THIS IS A LEGALLY BINDING CONTRACT WHEN SIGNED. PURCHASER AND SELLER SHOULD SEEK LEGAL ASSISTANCE IF THE CONTENTS OF THIS CONTRACT ARE NOT UNDERSTOOD. PURCHASER AND SELLER ACKNOWLEDGE RECEIPT OF A COPY OF THIS CONTRACT. BOTH BUYER AND SELLER ACKNOWLEDGE RECEIVING, READING, AND UNDERSTANDING THE SOUTH CAROLINA REAL ESTATE COMMISSION'S AGENCY DISCLOSURE BROCHURE.

IN WITNESS WHEREOF, the undersigned parties have executed this Contract on the date set forth beneath their respective signatures. The last date of execution of this Contract by a party, or if applicable, the last date that this Contract was initialed by a party shall be the **Effective Date** for all time periods set forth herein. **A signature or initial by either party must be dated to be binding upon the other party.**

Authentisign:
Gary C Johnson
11/3/2021 3:42:21 PM EDT
Purchaser

Purchaser

11/03/2021
Date

Purchaser's Address for Purposes of Notice:

Email:

Seller H Peter & Janet L Montmiry

Seller

11-3-21
Date

Seller's Address for Purposes of Notice:

Email:

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HollyAnnLLC 000037

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The Hilton Head Area Association of Realtors ("HHAAOR") owns the copyright to this Contract, and HHAAOR expressly prohibits the unauthorized use of this Contract. This Contract may not be altered, duplicated, or distributed without the prior written consent of HHAAOR. This Contract may be used only by members in good standing of the HHAAOR.

This Contract is an unmodified [X] or modified [ ] version of the HHAAOR form residential contract. If modified, all modifications must either be hand written or inserted in capitalized, bold text, so all parties are aware of the modifications to the HHAAOR form residential contract.

LISTING AGENT/BROKER IS ACTING ON BEHALF OF SELLER AS A (CHOOSE ONLY ONE) [X] SELLER'S AGENT [ ] DUAL AGENT [ ] DESIGNATED AGENT [ ] TRANSACTION BROKER

Listing Agent/Broker or Team MLS ID: 069

Company Name: Schembra Real Estate Group

Address: 50 Shelter Cove Lane, Suite P Hilton Head Island SC 29928

Company License No.: 7803

Agent/Broker Name: Phil Schembra

Agent/Broker SC Real Estate License No.:

Agent/Broker Email: phil@schembrarealestate.com

Agent/Broker Phone Number: 843-384-3843 843-384-3843

SELLING AGENT/BROKER IS ACTING ON BEHALF OF PURCHASER AS A (CHOOSE ONLY ONE) [X] BUYER'S AGENT [ ] SELLER'S AGENT [ ] DUAL AGENT [ ] DESIGNATED AGENT [ ] TRANSACTION BROKER

Selling Agent/Broker or Team MLS ID: 394

Company Name: Boardwalk Properties LLC

Address: 60 Brams Point Road Hilton Head Island SC 29926

Company License No.: 1739

Agent/Broker Name: Holly Angel

Agent/Broker SC Real Estate License No.: 60584

Agent/Broker Email: islandlivingsc@gmail.com

Agent/Broker Phone Number: 843-816-6262

Initials: Purchaser GJ Date 11/03/2021 Seller Date 11-5-21

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AuthentiSign ID: 7B1D023D-73E7-4AFC-831C-47387D4CFCDB

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This disclosure does not limit the obligation of the purchaser to inspect the property and improvements which are the subject of the real estate contract. Purchaser is solely responsible for conducting their own off site conditions and psychologically affected property inspections prior to entering into a real estate contract. The real estate licensees (acting as listing or selling agents, or other) have no duty to inspect the on site or off site conditions of the property and improvements. Purchasers should review all applicable documents (covenants, conditions, restrictions, bylaws, deeds, and similar documents) prior to entering into any legal agreements including any contract. The South Carolina Code of Laws describes the Residential Property Condition Disclosure Statement requirements and exemptions at § 27-50-10 (and following) which can be read online (www.scstatehouse.gov or other websites).

Current status of property or factors which may affect the closing:

☑ Owner occupied ☐ Short sale ☐ Bankruptcy ☐ Vacant (How long vacant?) _____
☐ Leased ☐ Foreclosure ☐ Estate ☐ Other: _____

A Residential Property Condition Disclosure Statement Addendum ☑ is ☐ is not completed and attached. This addendum should be attached if the property is subject to covenants, conditions, restrictions, bylaws, rules, or is a condominium.

Owner acknowledges having read, completed, and received a copy of this Residential Property Condition Disclosure Statement before signing and that all information is true and correct as of the date signed.

Owner Signature _____ Date: 10/28/2021 Time: 4:30 PM

Owner Printed Name _____

Owner Signature _____ Date: 10/28/2021 Time: 4:30 PM

Owner Printed Name _____

Purchaser acknowledges prior to signing this disclosure:

- Receipt of a copy of this disclosure
- Purchaser has examined disclosure
- Purchaser had time and opportunity for legal counsel
- This disclosure is not a warranty by the real estate licensees
- This disclosure is not a substitute for obtaining inspections of on site and off site conditions
- This disclosure is not a warranty by the owner
- Representations are made by the owner and not by the owner's agents or subagents
- Purchasers have sole responsibility for obtaining inspection reports from licensed home inspectors, surveyors, engineers, or other qualified professionals

Purchaser Signature _____ Date: _____ Time: _____

Purchaser Printed Name Authentisign Gary Johnson 11/4/2021 8:31:47 AM EDT 11/04/2021

Purchaser Signature _____ Date: _____ Time: _____

Purchaser Printed Name _____

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Gmail

Holly Angel <hollyangel74@gmail.com>

Fwd:
1 message

Boardwalk properties <boardwalkhiltonhead@gmail.com> Tue, Nov 30, 2021 at 1:44 PM
To: "rsmith@haleandhalelaw.com" <rsmith@haleandhalelaw.com>
Cc: Holly Angel <hollyangel74@gmail.com>

Robin,

Please assign the contract on Harbour Side to Holly Ann, LLC. Boardwalk Properties, will need a ready to record note and mortgage from Holly Ann. LLC for 600K. You can send her copy of the HUD to her e-mail address attached.

Thanks
Gary Johnson
Boardwalk Properties, LLC

Begin forwarded message:

> **From:** Holly Angel <holly.angel@icloud.com>
> **Date:** November 30, 2021 at 1:31:58 PM EST
> **To:** boardwalkhiltonhead@gmail.com

2021-11-30_133056.pdf
45K

CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

Aug 17 2022
REFERENCE ID: 1102863

Filing ID: 211202-0847037

Filing Date: 12/02/2021

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

OF CHANGE OF (1) DESIGNATED OFFICE, (2) AGENT FOR SERVICE OF PROCESS, OR (3) ADDRESS OF AGENT
LIMITED LIABILITY COMPANY – DOMESTIC AND FOREIGN

Pursuant to the 1976 S.C. Code of Laws, as amended, §33-44-109, the limited liability company submits the following statement of change.

1. The name of the limited liability company is:

HOLLY ANN LLC

2. The limited liability company is (check either "a" or "b", whichever is applicable):

☒ a. A South Carolina limited liability company.

☐ b. A foreign limited liability company authorized to transact business in South Carolina.

3. a. The South Carolina street address of the current designated office for the limited liability company is:
60 Brams Point Rd

(Street Address)

Hilton Head, South Carolina 29926

(City, State, Zip Code)

b. The name of the company's current agent for service of process is:

HOLLY ANGEL

(Name)

c. The South Carolina street address of the current registered agent's office is:
17 Harbourside Lane #7118

(Street Address)

Hilton Head, South Carolina 29928

(City, State, Zip Code)

4. Check and complete all boxes (a-c) that apply.

☒ a. The company is changing the address of its designated office.

The new South Carolina address of the designated office of the limited liability company is:
14 Phillips Ave

(Street Address)

Travelers Rest, South Carolina 29690

(City, State, Zip Code)

Form Revised by South Carolina Secretary of State, August 2016
F0080

SC Secretary of State
Mark Hammond

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CERTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

Aug 17 2022
REFERENCE ID: 1102863

Mark Hammond
SECRETARY OF STATE OF SOUTH CAROLINA

HOLLY ANN LLC

Name of Limited Liability Company

☒ b. The company is changing its agent for service of process.

The name of the company's new agent for service of process is:

Emily Higgins
(Name)

I hereby consent to the appointment as registered agent.

Emily Higgins
(Agent's Signature)

☐ c. The company is changing the street address of the agent for service of process.

The new South Carolina street address of the registered agent's office is:

(Street Address)

(City, State, Zip Code)

5. Unless otherwise specified, these articles are effective when endorsed for filing by the Secretary of State. Specify the time and date of any delayed effective date 12/02/2021
(Date)

Date: 12/02/2021

Signed as Authorized Signature: Emily Higgins
(Signature)

Emily Higgins
(Print Name)

Capacity/Position of Person Signing (**You must check one box.**)

☐ Manager ☒ Member ☐ Organizer

☐ Fiduciary ☐ Attorney-in-Fact

Form Revised by South Carolina Secretary of State, August 2016
F0080/F0086

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IN THE COURT OF COMMON PLEAS
FOURTEENTH JUDICIAL CIRCUIT
STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

BLUE BELL HOLDINGS, LLC,

Plaintiff,

vs. CIVIL ACTION NUMBER
2021-CP-07-01953

GARY C. JOHNSON,

Defendant.

----------/

The videotaped deposition of HOLLY A. ANGEL, individually and as the 30(b)(6) witness for Holly Ann, LLC in the above-entitled cause, was taken pursuant to Notice and Agreement before Yvonne P. Fanning, Stenographic Court Reporter and Notary Public and Charles Nussbaum, Video-Technician at the Law Firm of Twenge + Twombley, 311 Carteret Street, Beaufort, South Carolina 29902 on Friday, November 18, 2022, commencing at or about the hour of 11:13 a.m.

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Q Did -- did your daughter sign this?
A Didn't say sign. No, she's not signed. No one signed.
Q Well, it's --
A Member, or I -- I signed for her, which is -- I'm able to do. If I'm not able to do that, then no one has given me any indication that I could not do this and assign it to her that way with her notification, and she had notification.
Q How did she have notification?
A I spoke with her several times, her and my sister.
Q When would you have spoke to her?
A Several times once -- you know, maybe two or three years ago even on this. I used to teach Continuing Ed. This company could have always been for some type of business or any kind of property. So they were fine and they knew about my mail. It would be used -- they would be used for my state property or state addresses being forwarded.
Q So you -- your testimony is that two or three years before this, you got permission to sign your daughter's name as the registered

3/10 RB

3/10 Esc Hall

Whereas, this is being re-recorded to correct Plat Book Page from 123 to 183.

Whereas, it was in error.

RECORDED
2017 Oct -25 12:45 PM

BEAUFORT COUNTY AUDITOR

BEAUFORT COUNTY SC - ROD
BK 3541 Pgs 650-652
FILE NUM 2016069736
12/28/2016 02:37:22 PM
REC'D BY rbing RCPT# 834708
RECORDING FEES $10.00

BEAUFORT COUNTY SC-ROD
BK 3615 Pgs 840-842
INST# 2017056600 RCPT#867748
DATE: 10/18/2017 11:14:39 AM
REC FEES: $10.00
CO$0.00 ST$0.00 TR$0.00

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

GENERAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, **JOHNSON HALPERN PARTNERSHIP** (the "Grantor"), in the State aforesaid and in consideration of the sum of **TEN AND No/100 ($10.00)** Dollars paid to us in hand at and before the sealing of these presents by **GARY C. JOHNSON AND STEPHEN D. HALPERN** (the "Grantee"), having an address of 60 BRAMS POINT ROAD, HILTON HEAD ISLAND, SC 29926, in the state aforesaid the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said **GRANTEES**, as Tenants in Common, their heirs and/or assigns, forever, the following described property in fee simple:

> ALL that certain piece, parcel or tract of land situate, lying and being in the County Beaufort, Bluffton Township, off U.S. Highway 278, and being more particularly described by a plat thereof prepared by Forest F. Baughman, R.L.S., dated August 16, 1982, and record and made a part of Deed Book 354 at Page 348 in the ROD for Beaufort County, South Carolina. See plat recorded in the ROD for Beaufort County, South Carolina in Plat Book 30 at Page 183.
>
> The being the same property conveyed to the within Grantor by Deed recorded in the ROD for Beaufort County, South Carolina in Book 1559 at Page 815.

ADD DMP Record 10/20/2017 04:27:12 PM
BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	SMap	Parcel	Block	Week
R600	031	000	006A	0000	00

1

ELECTRONICALLY FILED - 2022 Dec 22 8:25 AM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

Tax Map No. R600/031/000/006A/0000

This within Deed was prepared in the law office of Hale & Hale, P.A., P. O. Box 22561, Hilton Head Island, SC 29925, Rebecca H. Hale, Esquire.

TOGETHER with all and singular, the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said Grantees, as Tenants in Common, their heirs and/or assigns, forever.

AND the said Grantor does hereby bind itself and its successors and/or assigns, executors and administrators to warrant and forever defend, all and singular, the said Premises unto the said Grantee, as herein above provided against itself and its heirs and/or assigns, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

IN WITNESS whereof, **JOHNSON HALPERN PARTNERSHIP** have caused these presents to be executed as of this 22nd day of DECEMBER in the year of our Lord two thousand and sixteen.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

JOHNSON HALPERN PARTNERSHIP

non-notary witness

GARY C. JOHNSON

notary witness

STEPHEN D. HALPERN

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

I, Robin D Smith, Notary Public for the State of SC do hereby certify that the within GRANTOR personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS MY HAND AND SEAL this the 22nd day of December, 2016.

Notary Public for:
My Commission Expires:

ROBIN D. SMITH NOTARY PUBLIC STATE OF SOUTH CAROLINA My Commission Expires 03-23-2025

Book3615/Page842 CFN#2017056600

ELECTRONICALLY FILED - 2022 Dec 22 8:25 AM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

ADD DMP Record 4/25/2022 11:34:19 AM
BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	SMap	Parcel	Block	Week
R600	031	000	006A	0000	00

RECORDED
2022 Apr -26 08:10 AM
BEAUFORT COUNTY AUDITOR

BEAUFORT COUNTY SC - ROD
BK 4111 Pgs 0066-0069
FILE NUM 2022006790
02/01/2022 04:32:01 PM
RCPT# 1075357
RECORDING FEES 15.00

ELECTRONICALLY FILED - 2022 Dec 22 8:25 AM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

GENERAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, BY, **GARY C. JOHNSON AND STEPHEN D. HALPERN** (the "Grantors"), in the State aforesaid and in consideration of the sum of TEN and 00/100 ($10.00) Dollars and no other valuable consideration paid to me in hand paid at and before the sealing of these presents by **BELMONT PROPERTIES, LLC** , a South Carolina LLC ("Grantee"), having an address of **130 WICKLOW DRIVE, BLUFFTON, SC 29910**, the receipt whereof is hereby acknowledged, have granted, bargained, sold and released, and by these Presents do grant, bargain, sell and release unto the said Grantee, its successors and/or assigns, in fee simple, the following described real property, to-wit:

> ALL that certain piece, parcel or tract of land situate, lying and being in the County of Beaufort, Bluffton township, off U.S. Highway 278, and being more particularly described by a plat thereof prepared by Forest F. Baughman, R.L.S., date August 16, 1982, and recorded and made a part of Deed Book 354 at Page 348 in the ROD for Beaufort County, South Carolina in Plat Book 30 at Page 183.
>
> This being the same property conveyed to the within Grantors by Deed recorded in the ROD for Beaufort County, South Carolina in Book 3615 at Page 840 and re-recorded in Book 3541 at Page 650.
>
> This deed was prepared by the Law Office of Hale & Hale, P. A., 1533 Fording Island Road, Ste 294, Hilton Head Island, South Carolina 29926, by Rebecca H. Hale, Esquire, without the benefit of a title search.
>
> **TAX MAP&PARCEL : R600/031/000/006A/0000**

TOGETHER with all and singular, the Rights, Members, Hereditaments and

Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said Grantee, its successors and/or assigns, forever.

AND the said Grantors do hereby bind themselves and their and/or assigns, executors and administrators to warrant and forever defend, all and singular, the said Premises unto the said Grantee, as herein above provided against themselves and their assigns, and all persons whomsoever lawfully claiming, or to claim the same or any part thereof.

IN WITNESS whereof, **GARY C. JOHNSON AND STEPHEN D. HALPERN** have caused these presents to be executed as of this 28th day of JANUARY in the year of our Lord two thousand and twenty-two.

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IN WITNESS whereof, **the GRANTORS** has caused these presents to be executed as of this 28 day of January in the year of our Lord two thousand and twenty-two.

SIGNED, SEALED AND DELIVERED

IN THE PRESENCE OF

(2) non-notary witness

(1) Gary C. Johnson

(3) notary witness

(4)
STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

I, the undersigned Notary Public, do certify that the within named Grantor personally appeared before me, and having satisfactorily proven to the be person whose name is subscribed above, has acknowledged the due execution of the within Deed.

WITNESS MY HAND AND SEAL this the 28th day of January 2022.

ROBIN D. SMITH
My Commission Expires
NOTARY PUBLIC
03-23-2025
STATE OF SOUTH CAROLINA

Signature

Robin D Smith

Print Name
Notary Public for:
My Commission Expires:

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IN WITNESS whereof, **the GRANTORS** has caused these presents to be executed as of this 21st day of January in the year of our Lord two thousand and twenty-two.

SIGNED, SEALED AND DELIVERED

IN THE PRESENCE OF

(2) non-notary witness

(1) Stephen D. Halpern

(3) notary witness

(4)

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

I, the undersigned Notary Public, do certify that the within named Grantor personally appeared before me, and having satisfactorily proven to the be person whose name is subscribed above, has acknowledged the due execution of the within Deed.

WITNESS MY HAND AND SEAL this the 21st day of January 2022.

ROBIN D. SMITH
My Commission Expires
NOTARY PUBLIC
03.23.2025
STATE OF SOUTH CAROLINA

Signature

Robin D Smith

Print Name
Notary Public for:
My Commission Expires:

19/25 RB C Gary Johnson

BEAUFORT COUNTY SC - ROD
BK 4174 Pgs 23-41
2022046898 MORT
08/16/2022 03:17:28 PM
REC'D BY rbing RCPT# 1101666
RECORDING FEES $25.00

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After Recording Return To:
Gary C. Johnson
P.O. Box 7841
Hilton Head, SC 29938

[Space Above This Line For Recording Data]

MORTGAGE

Gary Johnson Land Portfolio

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated 5th day of August, 20 22, together with all Riders to this document.
(B) "Borrower" is Gary C. Johnson, P.O. Box 7841 Hilton Head, SC 29938. Borrower is the mortgagor under this Security Instrument.
(C) "Lender" is Orange Capital LLC (Nevis).
Lender's address is Hunkins Waterfront Plaza, Suite 556, Main Street, Charlestown, Nevis, West Indies. Lender is the mortgagee under this Security Instrument.
(D) "Note" means the equity line of credit agreement signed by Borrower and dated 5th day of August, 20 22. The Note states that Borrower owes Lender **ONE MILLION AND 00/100 ($1,000,000.00) U.S. Dollars PLUS INTEREST**. Borrower has promised to pay this debt in regular Periodic Payments or in a lump sum as specific in the Note.
(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☐ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ Other(s) [specify] _____
☐ 1-4 Family Rider	☐ Biweekly Payment Rider	

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(K) "Escrow Items" means those items that are described in Section 3.
(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.
(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably mortgages, grants and conveys to Lender, with power of sale, the following described property located in the county of Beaufort:

See attached Exhibit A for list of properties

bearing tax assessor parcel number: See attached Exhibit A

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EXHIBIT A
LIST OF PROPERTIES

1040 Motion Street
North Augusta, South Carolina 29841

All that certain piece, parcel or lot of land, with improvements thereon, situate, lying and being in the County of Aiken, State of South Carolina, containing 1.00 acres, more or less, with a 20' Ingress & Egress Easement shown upon a Boundary Survey prepared for Troy D. & Machele Mealing by Besson and Gore, Professional Land Surveyors, dated September 18, 1995, said survey being recorded in the office of the R.M.C., Aiken County, South Carolina, in Plat Book 34 at page 104; reference being made to said plat for a more complete description hereof.

This is the same property deeded to Gary C. Johnson by Martin J. Posey Tax Collector for Aiken County, South Carolina dated on the 10th of December 1999, and recorded in the Aiken County Register of Deeds in BK 1941 at page 63.

Property ID: 0011-17-08-016

51 Bryant Rd
Hilton Head Island, South Carolina 29926

All that one half divided interest in that certain piece, parcel or lot of land, with improvements situated, lying and being in the State of South Carolina, County of Beaufort aforesaid being on Hilton Head Island and containing 1/2 (one half) acre, with said lands being bounded and described as follows: North by lands of Charles Simmons, East by lands Honey Horn Co., South by lands of Charles Simmons, West by lands of Reuben Chisolm.

This is the same property whereas 50% conveyed to Gary C. Johnson by deed from Julia Singleton Gibbs dated January 21st, 2000., recorded in the Beaufort County Register of Deeds in Plat Book 0571 on page 1576-1579.

TAX MAP REFERENCE: R510 010 000 032A 0000

42 Ballfield Rd
Bluffton, South Carolina 29910

All that certain piece, parcel, or tract of land lying and being in the Bluffton Outside District, in Beaufort County, South Carolina containing .95 acres and being bordered on the North by a roadway, on the East by Ballfield Road, on the South by lands of the heirs of Samson Bennett, and on the West by lands of Deborah Pinckney.

This is the same property deeded to Gary Johnson by Treasurer Deed dated the 8th day of November 2000, by Joy Logan, Treasurer of Beaufort County, South Carolina. Recorded in Beaufort County Register of Deeds, December 13th, 2000, in Book 1352 on page 780.

TMS: R610 031 000 0078 0000

133 Horse Island Drive
Saint Helena Island, South Carolina 29920

All that certain piece, parcel or lot of land, situate, lying and being in St. Helena Township, Beaufort County, South Carolina shown and designated as lot 29, on a plat of Horse Island surveyed by B.D. Trogdon, Jr., dated November 5, 1975, and recorded in the office of the Clerk of Court for Beaufort County, South Carolina in plat book 26 at page 149. For a more detailed description as to metes and bounds, courses and distances reference is craved to the above referred to plat of record.

This is the same property deeded the 1st day of September 2020 between Millennium Trust Company, LLC Custodian FBO Gary C. Johnson IRA, Successor in interest to Independent Trust Corporation, (Grantor), whose address is 2001 Spring Road, Suite 700, Oak Brook Il 60523, and Gary C. Johnson (Grantee), whose address is 60 Brams Point Rd., Hilton Head, SC 29926. Book 3908 at page 2824-2826.

TMS: R300 018 00A 0074 0000

785 Haig Point Rd
Daufuskie, South Carolina 29915

All that certain piece or parcel of land lying and being on Daufuskie Island, in Beaufort County, South Carolina and containing 6.21 acres and being bordered on the northeast by lands of Haig Point/Melrose Wastewater Treatment Company for 753 feet, on the southeast by Haig Point Road for a distance of 415 feet on the southwest by lands of Terry R. Lee Construction for a distance of 244 feet by lands of Curtis Thompson for a distance of 150 feet.
This property is shown on a boundary survey by Sea Island Survey prepared for Gary Johnson of Tax Parcel 7A containing 6.21 Acres dated January 15th,2007 recorded in the Beaufort County Register of Deeds on February 6th, 2006, in Plat Book 00118 Page 0073

This being the same property deeded to Gary C Johnson by Joy Logan, Treasurer of Beaufort County recorded November 16th,2006 and recorded January 12th, 2007, in Book 02475 pages 1883-1884.

TMS R800 025 OOO 007A 0000

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75 Wildhorse Road
Hilton Head, South Carolina 29926

One half divided interest in that certain piece, parcel, or lot of land, situate, lying and being on Hilton Head Island, in Beaufort County, South Carolina, containing 1.1 Acres, bounded on the North by lands of Shirley Miller and John F. Stewart, on the East by lands of Dr. C.A Braithwaite and lands of James Green.
Subject to all applicable easement and restrictions of record with Beaufort County Register of Deeds.

This is the same property conveyed to Gary C. Johnson on the 21st Day of December 1995, by Deed of Joy Logan, Treasurer of Beaufort County. Recorded in the Beaufort County Register of Deeds Book 824 at Page 1103.

TMS: R510 007 000 046J 0000

12 Acres Maryfield Subdivision
Daufuskie, South Carolina 29915

ALL those certain pieces, parcels or lots of land, situate, lying and being on Maryfield Plantation, Daufuskie Island, State of South Carolina, containing 12.00 acres and designated as District 800, Mao 24, Parcel on the tax records of the Beaufort County assessors.

This is the same property deeded to Gary Johnson by Joy Logan, The Beaufort County Treasurer on the 14th day of November 1991 and recorded on the 13th day of December 1991 and Recorded the 13th day of December 1991, in the Beaufort County Register of Deeds in Book 587 at Page 155.

TMS: R800 024 000 0025 0000

8 Maryfield Ct
Daufuskie, SC 29915

All that certain piece, parcel or lot situate, lying and being on Daufuskie Island, in Beaufort County, South Carolina, hown and designated as lot Number 13 on a plat of Maryfield Subdivision dated September 30, 1983, prepared by Sea Island Engineering Inc., Benjamin Wilson, SC Registered land Surveyor (S.C.R.L.S. No. 5424), which plat was recorded in the office of Court for Beaufort County, South Carolina in plat Book 33 at page 123. Said property having dimensions, metes and bounds as shown on said plat is conveyed subject to all easements shown thereon.

This is the same property deeded to Gary Johnson by Joy Logan, Beaufort County Treasure dated the 7th day of January 1994 and recorded the 14th day of February in Beaufort County Register of Deeds book 677-page 1163. Register of Deeds book 677-page 1163.

TMS: R800 0200 00A 045 0000

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TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3.

Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of

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current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible

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levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not

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then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy,

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probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until

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termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has – if any – with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

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In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in

amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender

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has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's

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interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

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Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in Section 15. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in Beaufort County, South Carolina, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of this County. Lender shall deliver to the purchaser Lender's deed conveying the Property. Lender or its designee may purchase the Property at any sale.

Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waivers. Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property. FURTHERMORE, THIS DOCUMENT IS PROVIDED WITH THE UNDERSTANDING THAT BEFORE SIGNING IT SHOULD BE REVIEWED AND APPROVED BY KNOWLEDGEABLE, LICENSED LEGAL COUNSEL IN THE JURISDICTION OF INTENDED USE.

[Signature Page to follow]

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Signature Page - Mortgage – Gary Johnson Land Portfolio

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Borrower 1
Gary C. Johnson

Witness 1

Witness 2 Maria Quesada

Notary:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness,

STATE OF SC }
COUNTY OF Beaufort } ss.

On August 16 2024
before me, Maria Quesada, (here insert name and title of the officer), personally appeared
GARY C JOHNSON
, Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of SC that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature of Notary Public

My Commission Expires 05-30-2028

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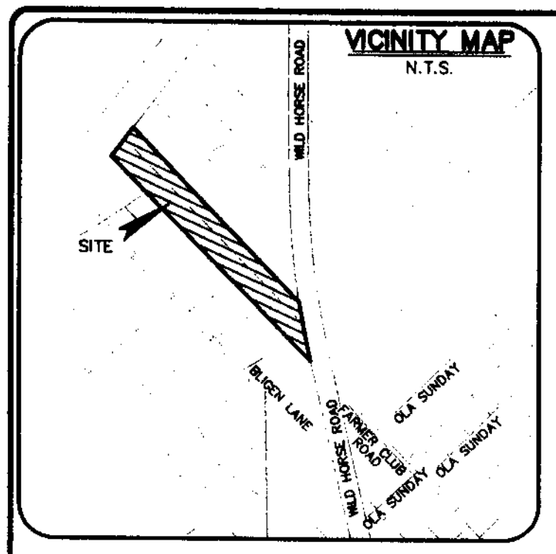
/

MARIA QUESADA
Notary Public - State of South Carolina
My Commission Expires May 30, 2028



LINE TABLE		
LINE	LENGTH	BEARING
L1	62.30	S 10°28'55" E
L2 (TIE)	116.81	S 41°14'15" E

NOTES:

1). THIS PLAT HAS BEEN PREPARED WITHOUT BENEFIT OF A COMPLETE TITLE SEARCH BY SEA ISLAND LAND SURVEY, LLC.
2). THIS PROPERTY MAY BE SUBJECT TO EASEMENTS OF RECORD AND COVENANT RESTRICTIONS AS RECORDED IN THE OFFICE OF THE ROD FOR BEAUFORT COUNTY.
3). SUBJECT PROPERTY DOES NOT APPEAR TO BE AFFECTED BY THE BEACHFRONT SETBACK REQUIREMENTS OF THE S.C. BEACH PROTECTION ACT OF JULY 1, 1988.
4). BUILDING SETBACKS, WHETHER SHOWN OR NOT, SHOULD BE VERIFIED BY THE LOCAL BUILDING AUTHORITY.
5). THIS SURVEY DOES NOT CERTIFY TO THE EXISTENCE OR ABSENCE OF FRESHWATER WETLANDS.

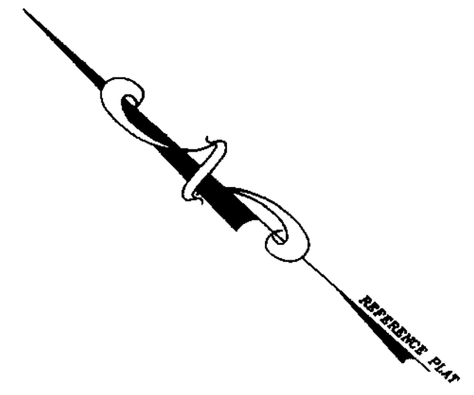
This plat does not constitute development pursuant to the Town of Hilton Head Island, SC Land Management Ordinance Section:

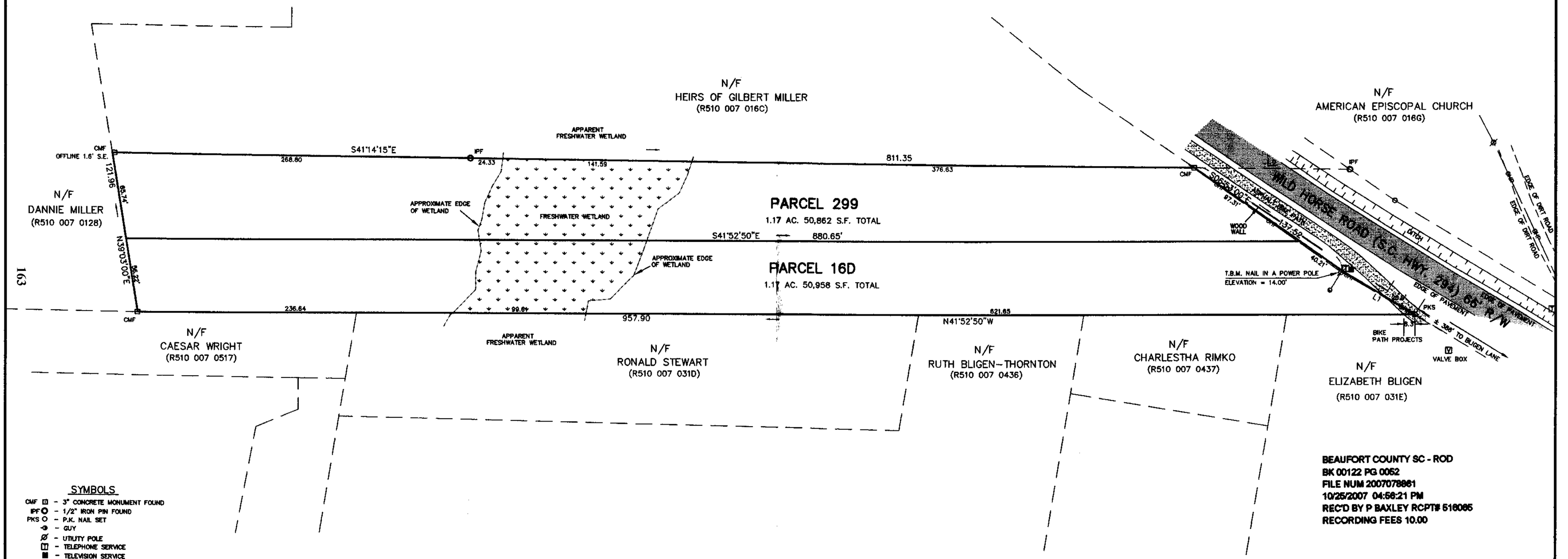
- ☐ 16-1-106A
- ☐ 16-1-106B
- ☒ 16-1-106C
- ☐ 16-1-106D
- ☐ 16-1-106E

Certified by: K. Cooler

Title: Planning Asst Date: 10-12-07

Disclaimer
The Town of Hilton Head Island makes an expressed declaration of policy that the public regulation of land is entirely separate from and independent of private restrictions. This approval in no way implies that the proposed development is in compliance with any restrictive covenants, private easements or deed restrictions.





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SYMBOLS

- CMF ⊡ – 3" CONCRETE MONUMENT FOUND
- IPF ○ – 1/2" IRON PIN FOUND
- PKS ○ – P.K. NAIL SET
- –◉ – GUY
- ⌀ – UTILITY POLE
- T – TELEPHONE SERVICE
- ■ – TELEVISION SERVICE
- V – VALVE BOX
- OHP – OVERHEAD POWERLINE

REFERENCE PLAT

1) A PLAT PREPARED FOR EVA MAE SINGLETON, PARCELS A-E, S.C. HWY 294, HILTON HEAD ISLAND, BEAUFORT COUNTY, SOUTH CAROLINA. DRAWN: 1/21/83, LAST REVISED: 1/24/84 RECORDED IN BOOK 34, PAGE 151, DATED 4/23/84 ROD. BEAUFORT COUNTY, SC BY: FORREST F. BAUGHMAN S.C.R.L.C. # 4922

PROPERTY AREA = 2.34 Ac. (TOTAL)
ADDRESS: WILD HORSE ROAD
DISTRICT: 510, MAP: 7, PARCELS: 16D & 299

THIS PROPERTY LIES IN F.E.M.A. ZONE A7
(BASE FLOOD ELEVATION = 14.0')

COMMUNITY NO. 450250, PANEL: 0002D, DATED: 9/29/86

OWNERS CERTIFICATION

Gary C. Johnson ARE THE OWNER(S) OF THE THE HEREON DESCRIBED PROPERTY AND THAT I (WE) STATE THAT THIS PLAN IS BEING PUT FORTH AS REQUESTED.

SIGNATURE Gary C. Johnson DATE 10/10/07

SOME OR ALL AREAS ON THIS PLAT ARE FLOOD HAZARD AREAS AND HAVE BEEN IDENTIFIED AS HAVING AT LEAST A ONE PERCENT CHANCE OF BEING FLOODED IN ANY GIVEN YEAR BY RISING TIDAL WATERS ASSOCIATED WITH POSSIBLE HURRICANES. LOCAL REGULATIONS REQUIRE THAT CERTAIN FLOOD HAZARD PROTECTIVE MEASURES BE INCORPORATED IN THE DESIGN AND CONSTRUCTION OF STRUCTURES IN THESE DESIGNATED AREAS. REFERENCE SHALL BE MADE TO THE DEVELOPMENT COVENANTS AND RESTRICTIONS OF THIS DEVELOPMENT AND REQUIREMENTS OF THE TOWN BUILDING OFFICIAL. IN ADDITION, FEDERAL LAW REQUIRES MANDATORY PURCHASE OF FLOOD INSURANCE AS A PREREQUISITE TO FEDERALLY INSURED MORTGAGE FINANCING IN THESE DESIGNATED FLOOD HAZARD AREAS.

I HEREBY STATE THAT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, THE SURVEY SHOWN HEREON WAS MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE MINIMUM STANDARDS MANUAL FOR THE PRACTICE OF LAND SURVEYING IN SOUTH CAROLINA, AND MEETS OR EXCEEDS THE REQUIREMENTS FOR A CLASS "A" SURVEY AS SPECIFIED THEREIN; ALSO THERE ARE NO VISIBLE ENCROACHMENTS OR PROJECTIONS OTHER THAN SHOWN.

SOUTH CAROLINA SEA ISLAND LAND SURVEY No.C02180 CERTIFICATE OF AUTHORIZATION

SOUTH CAROLINA PROFESSIONAL LAND SURVEYOR 23457 MARK R. RENEW

NOT VALID UNLESS EMBOSSED.

BEAUFORT COUNTY SC - ROD
BK 00122 PG 0052
FILE NUM 2007078861
10/25/2007 04:58:21 PM
REC'D BY P BAXLEY RCPT# 516085
RECORDING FEES 10.00

BOUNDARY SURVEY OF:
A PORTION OF PARCEL "E"
COMPRISING TAX PARCELS 16D & 299,
WILD HORSE ROAD, HILTON HEAD ISLAND,
BEAUFORT COUNTY, SOUTH CAROLINA

PREPARED FOR: GARY JOHNSON

DATE : 10/02/07 SCALE : 1" = 50'

GRAPHIC SCALE
0 50 100 150

Sea Island Land Survey, LLC.
4D Mathews Court,
Hilton Head Island,
SC 29926
Tel (843) 681-3248
Fax (843) 689-3871
E-mail: sils@sprynet.com

FILE No : 07174/2 DWG No. : 6-885

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Gary C. Johnson

BEAUFORT COUNTY SC - ROD
BK 4174 Pgs 90-105
2022046902 MORT
08/16/2022 03:17:28 PM
REC'D BY rbins RCPT# 1101666
RECORDING FEES $25.00

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After Recording Return To:
Gary C. Johnson
P.O. Box 7841
Hilton Head, SC 29938

[Space Above This Line For Recording Data]

MORTGAGE

Wild Horse Road, Hilton Head, SC 29926

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated 5TH of August, 20 22, together with all Riders to this document.
(B) "Borrower" is Gary C. Johnson, 301 Central Ave Ste 305, Hilton Head, SC 29938. Borrower is the mortgagor under this Security Instrument.
(C) "Lender" is Orange Capital LLC (Nevis).
Lender's address is Hunkins Waterfront Plaza, Suite 556, Main Street, Charlestown, Nevis, West Indies. Lender is the mortgagee under this Security Instrument.
(D) "Note" means the equity line of credit agreement signed by Borrower and dated 5TH day of August, 20 22. The Note states that Borrower owes Lender **SIX HUNDRED FIFTY THOUSAND AND 00/100 ($650,000.00) U.S. Dollars PLUS INTEREST**. Borrower has promised to pay this debt in regular Periodic Payments or in a lump sum as specific in the Note.
(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☐ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ Other(s) [specify] _____
☐ 1-4 Family Rider	☐ Biweekly Payment Rider	

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

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(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(K) "Escrow Items" means those items that are described in Section 3.
(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.
(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably mortgages, grants and conveys to Lender, with power of sale, the following described property located in the county of Beaufort:

Parcel 1 TMS R510 007 000 016D 0000

All that certain piece, parcel or lot of land situate, lying and being on Hilton Head Island, in Beaufort County South Carolina containing 1.17 acres and being bordered on the Northeast by lands of Gary Johnson, on the Southeast by Wild Horse Road, on the Southwest by lands of Elizabeth Bligen and by lands of Elijah Bilgen and by lands of Ronald Steward, and by lands of Cesar Wright, and on the Northwest by lands of Dannie Miller. This being the remaining 1.17 acres of parcel 16D, which was sold previously at a tax sale. This is the same property

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conveyed by ZACCHEUS REO I (Grantor) to Gary C. Johnson (Grantee). By Warranty Deed dated the 22nd of August 2000 and recorded in the Beaufort County Register of Deeds in Book 1336 Page 1169.

Parcel 2 TMS R510 007 000 0299 0000

All that certain piece, parcel or lot of land, situate, lying and being in the Hilton Head District containing 1.17 acres in Beaufort County, South Carolina, and being bounded on the Northeast by Diane Miller, parcel 128; on Southeast by the Heirs of Gilbert Miller, Parcel 16c; and on the Southwest by S.C. Hwy294. This is the same property conveyed by the Beaufort County Treasurer (Grantor) to Gary C. Johnson (Grantee). By Deed dated the 18th of December 1996 and recorded in the Beaufort County Register of Deeds in Book 909 Page 1374.

Parcel 1 and 2 is shown on a Boundary Survey prepared by Sea Island Survey dated 10/25/2007 of Tax parcels R510 007 000 016D 0000 and R510 000 0299 0000, located on Wild Horse Road, Hilton Head, South Carolina, recorded in the Beaufort County Register of deeds in Plat Book 00122 PG 0052.

bearing tax assessor parcel number: R510 007 000 0299 0000 and R510 007 000 016D 0000

which currently has the address of Wild Horse Road, Hilton Head, SC 29926 ("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order;

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(c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be

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escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument,

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leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the

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policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or

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damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the

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mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has – if any – with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain

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cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of

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Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from

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Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured

by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified

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the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be

cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in Section 15. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in Beaufort County, South Carolina, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of this County. Lender shall deliver to the purchaser Lender's deed conveying the Property. Lender or its designee may purchase the Property at any sale. Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waivers. Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property. FURTHERMORE, THIS DOCUMENT IS PROVIDED WITH THE UNDERSTANDING THAT BEFORE SIGNING IT SHOULD BE REVIEWED AND APPROVED BY KNOWLEDGEABLE, LICENSED LEGAL COUNSEL IN THE JURISDICTION OF INTENDED USE.

[Signature Page to follow]

Book4174/Page104 CFN#2022046902

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Signature Page - Mortgage - Wild Horse Road, Hilton Head, SC 29926

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Borrower
Gary C. Johnson

Witness 1

Witness 2 Maria Quesada

Notary:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness,

STATE OF SC }
COUNTY OF Beaufort } ss.

On August 16 2022
before me, Maria Quesada, (here insert name and title of the officer), personally appeared
GARY C JOHNSON
, Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of SC that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature of Notary Public

My Commission Expires 05-30-2028

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/

MARIA QUESADA
Notary Public - State of South Carolina
My Commission Expires May 30, 2028

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IN THE COURT OF COMMON PLEAS
FOURTEENTH JUDICIAL CIRCUIT
STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

BLUE BELL HOLDINGS, LLC,

Plaintiff,

vs. CIVIL ACTION NUMBER
2021-CP-07-01953

GARY C. JOHNSON,

Defendant.

----------/

The videotaped deposition of HOLLY A. ANGEL, individually and as the 30(b)(6) witness for Holly Ann, LLC in the above-entitled cause, was taken pursuant to Notice and Agreement before Yvonne P. Fanning, Stenographic Court Reporter and Notary Public and Charles Nussbaum, Video-Technician at the Law Firm of Twenge + Twombley, 311 Carteret Street, Beaufort, South Carolina 29902 on Friday, November 18, 2022, commencing at or about the hour of 11:13 a.m.

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Q Did you put that in it in 2014?
A Yeah, I believe so. It's never been used. That bank account has never been used.
Q So you opened it up, put $50 in it, and to the best of your knowledge, you've never touched --
A There's nothing in it.
No, never touched it again.
Q Okay. Well, is the $50 still there?
A It's still there.
Q Are you the only owner of the LLC?
A I am.
Q Have there ever been any other owners of the LLC?
A No.
Q Has there ever been any other person who's been -- worked with the LLC or associated with the LLC?
A No.
Q Does Mr. Johnson have any connection or ownership interest in the LLC?
A No.
Q We'll look at some documents later, but there's some documents that he signed on behalf of that LLC.

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Did you give him authority to sign documents on behalf of Holly Ann, LLC?

A I'd just have to look at the documents.

Q Okay. I mean, have you ever given him authority or permission to act on behalf of your LLC?

A No.

Q So Mr. Johnson's never been a -- held any ownership interest in the LLC?

A None.

Q Never served as a manager for the LLC?

A No.

Q You never gave him the authority to sign things on behalf of the LLC?

A No.

Q Has any property ever been titled in the name of Holly Ann, LLC other than the Harborside property?

A No, no other properties.

Q And so just so I'm -- I'm clear, in between the time you formed the LLC, and I think it was 2014, until the time the property was purchased in 2021, other than opening a bank account and putting $50 in it, that there has not been any activity in that LLC whatsoever?

illegal.

Q I don't think I told you that. I'd have to -- at least not in the letters.

So your testimony is you -- you read it somewhere --

A Yes.

Q -- that it was illegal?

Let's turn to the last page. Turn to Page 203, please.

Let's look at the top here. It says:

"The borrower, Holly Ann, LLC, Gary C. Johnson, managing member?"

Do you see that?

A Yes, I do.

Q Was Gary Johnson the managing member of Holly Ann, LLC?

A No.

Q Do you know why he has signed his name to this saying he was the managing member?

A Because we had mixed property, I guess, together in the account, but -- and we were going to be together in an LLC. But, of course, we were not in this LLC together.

Q So do you have any other reason why Gary Johnson would have signed this document

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under oath attesting that he was the manager member of Holly Ann, LLC?

A It was just a document that I believe was wrong. He didn't -- that needed to be taken off. It shouldn't have had Holly Ann, LLC on it.

Q Well, that's who's giving the mortgage. It's got to be Holly Ann, LLC?

A He wasn't in the LLC.

Q Did he ask you to sign this?

A It was just not supposed to be on that.

Q Did he ask you to sign it?

A No, I did not sign that.

Q But did he ask you to sign it?

A No.

Q Who is -- the first witness is Steve Halpern --

A Uh-huh.

Q -- is that right?

A The first -- I do not know.

Q You don't -- you don't know that's --

A I don't know that name.

Q Okay.

A I don't -- can't say.

Q What about the second one, Maria

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Quesada?
A Yeah. I don't -- I don't know what that is either.
Q Do you know who that is?
A No.
Q Okay. You have no idea who Maria Quesada is?
A I do not.
Q Were you present for the signing of this document?
A No.
Q Do you know where it was signed?
A I don't know. I'm just not aware of that one. I just don't know yet. I don't see anything with my name on it.
Q Do you know who drafted this -- this mortgage document?
A I do not know.
Q So you said that this document is mistaken or has errors on it.
What -- what should it say?
MS. WALTERS: Object.
THE WITNESS: I don't have that.
BY MR. TWOMBLEY:
Q Well, how do you know that it's got errors

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on it and it's mistaken?
A I'm seeing Holly Ann, LLC where we've already discussed that he's not a member of Holly Ann, LLC, so there's an error.
Q Okay. Well, other than that, are there any other errors or problems with the document?
MS. WALTERS: Objection, form.
THE WITNESS: I would -- an attorney would have to look at it to tell me what's right and what's wrong with the paper, the document. I'm not an attorney. I can just -- Holly Ann, LLC is definitely an error.
BY MR. TWOMBLEY:
Q Well, do you know of any financial institution, whether it be in Nevis or anywhere else, that has made $650,000 of equity available to you, to Holly Ann, LLC, to Gary Johnson, to Boardwalk Properties, or any other company in the world such that they would be authorized to take out a mortgage against a property?
A I do not know.
MS. WALTERS: Objection.
BY MR. TWOMBLEY:
Q Why would someone want to do that?

BEAUFORT COUNTY SC - ROD
BK 4174 Pgs 74-89
2022046901 MORT
08/16/2022 03:17:28 PM
REC'D BY rbing RCPT# 1101666
RECORDING FEES $25.00

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After Recording Return To:
Gary C. Johnson
P.O Box 7841
Hilton Head, SC 29938

[Space Above This Line For Recording Data]

MORTGAGE

17 Harbourside Ln Unit 7118, Hilton Head, SC 29928

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated this 5th day of August 20 22, together with all Riders to this document.
(B) "Borrower" is Holly Ann LLC (South Carolina), PO Box 7841 Hilton Head, South Carolina 29938. Borrower is the mortgagor under this Security Instrument.
(C) "Lender" is Orange Capital LLC (Nevis).
Lender's address is Hunkins Waterfront Plaza, Suite 556, Main Street, Charlestown, Nevis, West Indies. Lender is the mortgagee under this Security Instrument.
(D) "Note" means the equity line of credit agreement signed by Borrower and dated 5TH day of August, 2022. The Note states that Borrower owes Lender **SIX HUNDRED FIFTY THOUSAND AND 00/100 (650,000.00) U.S. Dollars PLUS INTEREST.** Borrower has promised to pay this debt in regular Periodic Payments or in a lump sum as specific in the Note.
(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☐ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ Other(s) [specify] _____
☐ 1-4 Family Rider	☐ Biweekly Payment Rider	

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

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(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(K) "Escrow Items" means those items that are described in Section 3.
(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.
(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably mortgages, grants and conveys to Lender, with power of sale, the following described property located in the county of Beaufort:

All that certain Unit, lying and being in Shelter Cove, Palmetto Dunes Resort on Hilton Head Island, Beaufort County, South Carolina, and being known as Unit No. 7118 of Harbourside 1 &11 Horizontal Property Regime, and being more particularly shown and described by reference to the Master Deed being dated the 12th day of July 1983, and recorded in the office of the Register of Deeds for Beaufort County, South Carolina, in Book 373 at Page 462, and Plat Book 31 at 139, and all amendments thereto.

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This is the same property conveyed by Warranty Deed from H. Peter Montminy, Jr. and Janet E. Montminy Grantors to Holly Ann, LLC Grantee dated the 17th of November 2021 and recorded in the Beaufort County Registry of Deeds in Book 4094 pages 1591-1593. Tax Map Reference R520 012 00B 0019 7118.

bearing tax assessor parcel number: R520 012 00B 0019 7118

which currently has the address of 17 Harbourside Ln Unit 7118, Hilton Head, SC 29928 ("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not

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obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be

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deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an

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agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or

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repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender

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shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a

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non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has – if any – with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such

Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

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12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument

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shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

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21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any

other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in Section 15. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in Beaufort County, South Carolina, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of this County. Lender shall deliver to the purchaser Lender's deed conveying the Property. Lender or its designee may purchase the Property at any sale. Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waivers. Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property. FURTHERMORE, THIS DOCUMENT IS PROVIDED WITH THE UNDERSTANDING THAT BEFORE SIGNING IT SHOULD BE REVIEWED AND APPROVED BY KNOWLEDGEABLE, LICENSED LEGAL COUNSEL IN THE JURISDICTION OF INTENDED USE.

[Signature Page to follow]

Book4174/Page88 CFN#2022046901

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Signature Page - Mortgage - 17 Harbourside Ln Unit 7118, Hilton Head, SC 29928

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Gary C. Johnson
Borrower 1
Holly Ann LLC, Gary C. Johnson, Managing Member

Witness 1

Witness 2 Maria Quesada

Notary:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness,

STATE OF SC }
COUNTY OF Beaufort } ss.

On August 16, 2022
before me, Maria Quesada, (here insert name and title of the officer), personally appeared
GARY C JOHNSON / Holly Ann LLC,
to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of SC that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature of Notary Public

My Commission Expires 05-30-2028

MARIA QUESADA
Notary Public - State of South Carolina
My Commission Expires May 30, 2028

4/10 Hale 65

BEAUFORT COUNTY SC - ROD
BK 03258 PGS 0372-0375
FILE NUM 2013042212
07/22/2013 04:17:51 PM
REC'D BY F FRANKLIN RCPT# 717700
RECORDING FEES 10.00
County Tax 31.35
State Tax 74.10
Transfer Tax 70.00

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RECORDED
2013 Jul -25 08:39 AM
Sharon G. Burris
BEAUFORT COUNTY AUDITOR

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

DEED BY MASTER IN EQUITY

This Deed is executed this 11 day of JULY, 2013, by MARVIN H. DUKES, III, Master in Equity for Beaufort County, to **SHORELINE FUNDING, LLC**, 60 BRAMS POINT ROAD, HILTON HEAD ISLAND, SC 29926.

Whereas, by Master's Report and Decree of Foreclosure filed JANUARY 4, 2013 filed in the Office of the Clerk of Court for Beaufort County, South Carolina, Docket No. 2012-CP-07-1309, The Savannah Bank, NA v. Roy J. Vollick, *et al*, and by Notice of Sale filed January 4, 2013, the real property hereinafter describe was ordered sold; and

Whereas, in accordance with the Master's Report and Decree of Foreclosure , the subject real property was duly advertised and then offered for sale at public action on June 3, 2013, and

Whereas, SHORELINE FUNDING, LLC, tendered the highest bid on JUNE 3, 2013 in the amount of TWENTY EIGHT THOUSAND ONE DOLLAR AND no/100 ($28,001.00) Dollars, and

Whereas, in accordance with the Order, the sale is hereby complete and the undersigned Master In Equity for Beaufort County is authorized to execute this Deed conveying the below

ADD DMP Record 7/24/2013 04:23:27 PM
BEAUFORT COUNTY TAX MAP REFERENCE

Dist	Map	SMap	Parcel	Block	Week
R511	009	000	1147	0000	00

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described property to SHORELINE FUNDING, LLC; and

Whereas, SHORELINE FUNDING, LLC has complied with each and every of the bid requirements.

NOW THEREFORE, I the undersigned Master In Equity for Beaufort County, in consideration of compliance with the aforesaid bid and the other requirements set forth in the Order, do hereby grant, bargain, sell and release unto SHORELINE FUNDING, LLC, his heirs and/or assigns forever the following descried real property, together with all fixtures, appurtenances,

THE within property is conveyed subject to all applicable obligations, restrictions, limitations, and covenants of record in the Register of Deeds Office for Beaufort County, South Carolina.

ALL that certain piece, parcel or lot of land situate, lying and being in The Town of Hilton Head Island, Beaufort County, South Carolina, being more particularly known and described as Lot 41, of the Subdivision of Sandcastles by the Sea; said lot having such dimensions, metes and bounds as are shown on the Plat entitled "Subdivision Plat of Sandcastles by the Sea, Folly Field Road, Hilton Head Island, Beaufort County, South Carolina," said plat being dated June 15, 2005, last revised May 19 2006, prepared by Surveying Consultants, Terry G. Hatchell, S.C.R.L.S. No. 11059, and recorded in the ROD for Beaufort County, South Carolina on May 19, 2006, in Plat Book 113 at Page 164. For a more complete and detailed description as to the metes bounds, courses and distances of said lot, reference is craved to said plat of record.

This conveyance is made subject to that certain Declaration of Covenants, Conditions and Restrictions for Sandcastles by the Sea, as recorded in Book 02380 at {age 1162, and all Amendments thereto, to all matters disclosed on the above-referenced plat of record, and all matters of record in the Register of Deeds Office for Beaufort county, South Carolina, or of record with the Town of Hilton Head Island, South Carolina; and also subject to that certain Drainage Easement, as recorded in Book 02380 at Page 1155, and that certain Plat of the Drainage Easement, recorded in Plat Book 00113 at Page 0189.

This being the same property conveyed by Deed recorded in Book 2414 at Page 2540 in said ROD for Beaufort County, South Carolina.

This Deed was prepared by the Law Firm of Hale & Hale, PA, P. O. Box 22561, Hilton Head Island, SC 29925, by Rebecca H. Hale, Esquire.

TMS# R511/009/000/1147

TOGETHER with all and singular, the Rights, Members, Hereditaments and Appurtenances to the said Premises belonging, or in anywise incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said Premises before mentioned unto the said **Grantee**, its successors and assigns forever, in fee simple.

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IN WITNESS whereof, **I, MARVIN H. DUKES, III, the MASTER IN EQUITY FOR BEAUFORT COUNTY,** under and by virtue of the aforesaid Order, hereto set my hand this 11 day of JULY in the year of our Lord two thousand thirteen.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF

non-notary

MARVIN H. DUKES, III, MASTER
IN EQUITY FOR BEAUFORT COUNTY

notary witness

STATE OF South Carolina)
)
COUNTY OF Beaufort)

I, Jarod Brame, Notary Public for the State of South Carolina do hereby certify that MARVIN H. DUKES, III, MASTER IN EQUITY FOR BEAUFORT COUNTY, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

WITNESS MY HAND AND SEAL this the 11 day of July, 2013.

Notary Public for: SC
My Commission Expires: 3/10/17

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30 Haul Away LLC
Register QuickReport
All Transactions

Type	Date	Num	Memo	Account	Clr	Split	Amount
SC Secretary of State							
Check	11/20/2012	1221		Suntrust Bank	X	Due from Shor...	-110.00
Total SC Secretary of State							-110.00
TOTAL							**-110.00**

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BEAUFORT COUNTY SC - ROD
BK 4174 Pgs 58-73
2022046900 MORT
08/16/2022 03:17:28 PM
REC'D BY rbins RCPT# 1101666
RECORDING FEES $25.00

ELECTRONICALLY FILED - 2022 Dec 22 8:25 AM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

After Recording Return To:
Gary C. Johnson
P.O. Box 7841
Hilton Head, SC 29938

[Space Above This Line For Recording Data]

MORTGAGE

109 Sandcastle Court, Hilton Head, SC 29926

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated 8th day of August, 20 22, together with all Riders to this document.
(B) "Borrower" is Shoreline Funding, LLC Gary C. Johnson, Managing Member, 301 Central Ave Ste 305, Hilton Head, SC 29938. Borrower is the mortgagor under this Security Instrument.
(C) "Lender" is Orange Capital LLC (Nevis).
Lender's address is Hunkins Waterfront Plaza, Suite 556, Main Street, Charlestown, Nevis, West Indies. Lender is the mortgagee under this Security Instrument.
(D) "Note" means the equity line of credit agreement signed by Borrower and dated 8th day of August, 20 22. The Note states that Borrower owes Lender **SIX HUNDRED FIFTY THOUSAND AND 00/100 ($650,000.00) U.S. Dollars PLUS INTEREST**. Borrower has promised to pay this debt in regular Periodic Payments or in a lump sum as specific in the Note.
(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☐ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ Other(s) [specify] _____
☐ 1-4 Family Rider	☐ Biweekly Payment Rider	

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.
(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

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(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(K) "Escrow Items" means those items that are described in Section 3.

(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably mortgages, grants and conveys to Lender, with power of sale, the following described property located in the county of Beaufort:

> All that certain piece, parcel or lot of land situate, lying and being in the Town of Hilton Head, Beaufort County, South Carolina, known as Lot 41, of the subdivision of Sandcastles By The Sea, said lot having such dimensions, metes and bounds as are shown on the Plat entitled "Subdivision Plat of Sandcastles by the Sea, Folly Field Road, Hilton Head Island, Beaufort County, South Carolina," said plat being dated June 15, 2005, last revised May 2006, prepared by Surveying Consultants recorded in Plat Book 113 at page 164.
>
> This is the same property deeded to Shoreline Funding, LLC on July 11, 2013, by Marvin H. Dukes, III, MASTER IN EQUITY for Beaufort County, South Carolina to Shoreline Funding., LLC, 60 Brams Point Road, Hilton Head Island, SC 29926. Book 03258 at pages

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0372-0375.

Also, all that piece, parcel of land, containing 0.010 Acres and which is shown and described as 41A on a Plat entitled "Boundary Reconfiguration Plat of Lot 41 #30 Folly Field Road Tax Parcel ID. R511 009 000 1196 0000 lands of The Town of Hilton Head Island Creating Revised lot 41 & Lots 39 Thru 52 of Block E Sandcastles by The Sea Subdivision," prepared by Terry G. Hatchell, SCRLS No.11059, dated June 2,2021, and recorded in the Office of the Register of Deeds for Beaufort County, South Carolina, in Plat Book 159 at page 30 (hereinafter the "Property").

This is the same property deeded to Shoreline Funding (Grantee) May 16th, 2022, by warranty Deed from the Town of Hilton Head Island, South Carolina (Grantee) accepted by Shoreline Funding, LLC recorded on the 27th day in the Beaufort County Register of Deeds in BK4150 Pgs 0730-0733

bearing tax assessor parcel number: R511 009 000 1147 0000

which currently has the address of 109 Sandcastle Court, Hilton Head, SC 29926 ("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order;

(c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be

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escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument,

leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the

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policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or

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damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the

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mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has – if any – with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain

cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of

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Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from

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Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured

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by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified

the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be

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cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in Section 15. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in Beaufort County, South Carolina, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of this County. Lender shall deliver to the purchaser Lender's deed conveying the Property. Lender or its designee may purchase the Property at any sale. Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waivers. Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property. FURTHERMORE, THIS DOCUMENT IS PROVIDED WITH THE UNDERSTANDING THAT BEFORE SIGNING IT SHOULD BE REVIEWED AND APPROVED BY KNOWLEDGEABLE, LICENSED LEGAL COUNSEL IN THE JURISDICTION OF INTENDED USE.

[Signature Page to follow]

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Signature Page - Mortgage - 109 Sandcastle Court, Hilton Head, SC 29926

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Gary C Johnson
Borrower 1
Shoreline Funding LLC, Gary C. Johnson Managing Member

Witness 1

Maria Quesada
Witness 2

Notary:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness,

STATE OF SC }
COUNTY OF Beaufort } ss.

On August 16, 2022
before me, Maria Quesada, (here insert name and title of the officer), personally appeared
GARY C JOHNSON / Shoreline Funding LLC, Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of SC that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Signature of Notary Public

My Commission Expires 05-30-2028

/////
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///
//
/

MARIA QUESADA
Notary Public - State of South Carolina
My Commission Expires May 30, 2028

16 RBC Gary Johnson 3764

BEAUFORT COUNTY SC - ROD
BK 4174 Pgs 42-57
2022046899 MORT
08/16/2022 03:17:28 PM
REC'D BY rbing RCPT# 1101666
RECORDING FEES $25.00

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After Recording Return To:
Gary C. Johnson
P.O. Box 7841
Hilton Head, SC 29938

[Space Above This Line For Recording Data]

MORTGAGE

197 Buck Island Road, Bluffton SC 29910

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated 16TH day of August, 2022, together with all Riders to this document.
(B) "Borrower" is Stephen D. Halpern, 130 Wicklow Drive, Bluffton, SC 29910. Borrower is the mortgagor under this Security Instrument. + Belmont Properties, LLC
(C) "Lender" is Orange Capital LLC (Nevis).
Lender's address is Hunkins Waterfront Plaza, Suite 556, Main Street, Charlestown, Nevis, West Indies. Lender is the mortgagee under this Security Instrument.
(D) "Note" means the equity line of credit agreement signed by Borrower and dated 16th day of August, 2022. The Note states that Borrower owes Lender **THREE HUNDRED THOUSAND AND 00/100 ($300,000.00) U.S. Dollars PLUS INTEREST**. Borrower has promised to pay this debt in regular Periodic Payments or in a lump sum as specific in the Note.
(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☐ Adjustable Rate Rider	☐ Condominium Rider	☐ Second Home Rider
☐ Balloon Rider	☐ Planned Unit Development Rider	☐ Other(s) [specify] _____
☐ 1-4 Family Rider	☐ Biweekly Payment Rider	

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

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(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.
(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.
(K) "Escrow Items" means those items that are described in Section 3.
(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.
(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.
(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.
(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.
(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably mortgages, grants and conveys to Lender, with power of sale, the following described property located in the county of Beaufort:

> All that that certain piece, parcel, or lot of land, situate, lying and being in the County of Beaufort, Bluffton township, off U.S. Highway 278, and being more particularly described by a plat thereof prepared by Forest F. Baughman, R.L.S., dated August 16, 1982, and recorded and made a part of Deed Book 354 at Page 348 in the office of the register of Deeds for Beaufort County, South Carolina in Plat Book 3615 at Page 840 and re-recorded in Book 3541 at Page 650.

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This being the same property Gary C. Johnson and Steve Halpern conveyed to Belmont Properties, LLC on the 28th day January 2022, recorded in the Beaufort County Register of Deeds. Recorded in the Register of Deeds BK 4111 at pages 0066-0069.

bearing tax assessor parcel number: R600 031 000 006A 0000

which currently has the address of 197 Buck Island Road, Bluffton SC 29910 ("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender

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may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items

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directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender

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determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and

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restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

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8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not

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be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has – if any – with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken

promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument

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granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall

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constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to

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any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products,

toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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If Lender invokes the power of sale, Lender shall give a copy of a notice to Borrower in the manner provided in Section 15. Lender shall publish the notice of sale once a week for three consecutive weeks in a newspaper published in Beaufort County, South Carolina, and thereupon shall sell the Property to the highest bidder at public auction at the front door of the County Courthouse of this County. Lender shall deliver to the purchaser Lender's deed conveying the Property. Lender or its designee may purchase the Property at any sale. Borrower covenants and agrees that the proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waivers. Borrower waives all rights of homestead exemption in the Property and relinquishes all rights of curtesy and dower in the Property. FURTHERMORE, THIS DOCUMENT IS PROVIDED WITH THE UNDERSTANDING THAT BEFORE SIGNING IT SHOULD BE REVIEWED AND APPROVED BY KNOWLEDGEABLE, LICENSED LEGAL COUNSEL IN THE JURISDICTION OF INTENDED USE.

[Signature Page to follow]

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Signature Page - Mortgage - 197 Buck Island Road, Bluffton SC 29910

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Borrower 1
Stephen D. Halpern, Managing Member

Witness 1

Witness 2 Maria Quesada

Notary:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness,

STATE OF SC }
COUNTY OF Beaufort } ss.

On August 16, 2022
before me, Maria Quesada, (here insert name and title of the officer), personally appeared
STEPHEN D HALPERN
, Who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of SC that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

My Commission Expires 05-30-2028

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MARIA QUESADA
Notary Public - State of South Carolina
My Commission Expires May 30, 2028

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2022-CP-07-2454
Blue Bell Holdings, LLC,	)	
	)	
Plaintiff,	)	
vs.	)	
	)	**PLAINTIFF'S MOTION FOR EXPARTE TEMPORARY RESTRAINING ORDER AS TO DEFENDANT GARY C. JOHNSON**
Gary C. Johnson; Stephen D. Halpern; Holly A. Angel; Holly Ann, LLC; Belmont Properties, LLC; the Johnson Halpern Partnership; Shoreline Funding, LLC; and Orange Capital, LLC (Nevis),	)	
	)	
Defendants.	)	

PLEASE TAKE NOTICE that Plaintiff Blue Bell Holdings, LLC ("Plaintiff") by and through undersigned counsel, moves the Court pursuant to Rule 65(b) of the South Carolina Rules of Civil Procedure ("SCRCP") for a Temporary Restraining Order ("TRO") enjoining Defendant Gary C. Johnson ("Johnson") from hiding, concealing, misappropriating, selling, encumbering, transferring, impairing the value of or otherwise disposing of any of Johnson's assets, in whole or in part, until further order of this Court, and further, restraining him from engaging in any additional transactions related to the real estate described in the Verified Complaint. In support of this motion, Plaintiff submits the Verified Complaint, which is attached hereto as **Exhibit "A,"** and would further show as follows:

The grounds for the TRO sought by Plaintiff are that (1) it will suffer irreparable harm if the TRO is not granted, (2) it will likely succeed on the merits of pending fraudulent transfer claims, and (3) there is no adequate remedy at law. Therefore, a TRO is warranted pursuant to Rule 65(b) SCRCP and South Carolina case law.

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A temporary restraining order can be granted without notice if immediate and irreparable injury, loss or damage will result to Plaintiff before notice can be served and a hearing had thereon. Based on Johnson's prior brazen efforts to thwart the judicial system as outlined in Plaintiff's Verified Complaint, once Johnson receives Notice of the Motion for TRO, he will move quickly to continue to hide, conceal, misappropriate, sell, encumber, transfer, impair the value of or otherwise dispose of his assets. Johnson's efforts include forming foreign corporations and encumbering assets with those corporations, which if continued, will make setting aside the fraudulent transfers cost prohibitive if not impossible. This will cause millions of dollars in damages that Plaintiff will never be able to recover, as Johnson is otherwise insolvent. Accordingly, A TRO is warranted.

RELEVANT BACKGROUND

This is a case of fraud and manipulation undertaken by Defendant Gary Johnson in an attempt to escape a multimillion-dollar liability after he misappropriated millions of dollars from Plaintiff and got caught. Plaintiff filed the Lawsuit against Johnson seeking millions of dollars in damages related to Johnson misappropriating funds from Plaintiff. Faced with the reality that his behavior was indefensible, and further, that a multi-million-dollar judgment was closing in, Johnson devised an illegal scheme to move, hide, obscure, and transfer his assets out of his name or entitled he had an ownership interest in, into other entities (or giving foreign entities mortgages against the properties) thus impairing Plaintiff's ability to recover damages in this action. The following facts show that Johnson should not be trusted with the handling of his assets going forward, and further, that he should be required to request and receive Court approval before engaging in any other real estate, financial or asset transfer transactions.

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Johnson, on his own accord and/or by his agents or representatives and after conspiring with others, has improperly transferred, sold, encumbered or otherwise disposed of assets improperly, the sole purpose of which was to hinder Plaintiff's ability to recover damages. The following facts and more specifically those as outlined in the Amended Complaint, demonstrate that a TRO, as proposed by Plaintiff in the Proposed Order attached as **Exhibit "B"** hereto, is not only appropriate, but necessary. The failure to grant a TRO will thwart the system of justice.

1. This matter arises out of an initial lawsuit filed by Plaintiff against Defendant Gary C. Johnson on October 26, 2021 in Beaufort County, South Carolina, Civil Action Number 2021-CP-70-01953 hereinafter referred to as "the Lawsuit".

2. The Lawsuit arises over Plaintiff and Defendant Johnson each forming and owning a 50% interest in two (2) South Carolina limited liability companies: 30 Haul Away, LLC and Island Funding, LLC which were formed for the purpose of acquiring distressed real property and holding, and/or renting, and/or improving the properties for future sale at a profit.

3. Plaintiff (or its predecessor in interest) and Defendant Johnson also owned a 50% interest in a third LLC, 6 Shelley Court, LLC. It too was formed for the purpose of acquiring distressed real property and holding, and/or renting, and/or improving the properties for future sale at a profit.

4. The operating agreements for the LLCs were entered into on or around the date of formation, and the LLCs are governed by their respective operating agreements and by the South Carolina Limited Liability Company Act found at S.C. Code § 33-44-101 to § 33-44-1208.

5. The operating agreements all provide that by signing them, each member represents and warrants that the execution, delivery, and performance under the operating agreement does

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not "conflict with any other agreement or arrangement to which that Member is a party or by which it is bound."

6. Further, the operating agreements did not alter, reduce, or limit the fiduciary duties owed by a member to a member-managed company and its other members, the fiduciary duties are stated in § 33-44-409.

7. Plaintiff initiated the Lawsuit after making the shocking discovery that Johnson had breached the terms of the applicable operating agreements, as well as South Carolina law, and stolen millions of dollars from the LLCs for his own personal benefit.

8. After the Lawsuit was filed, and after Plaintiff moved for the appointment of a receiver to legally prohibit Johnson from engaging in future illegal behavior, Johnson entered into a consent order that restrained and prohibited him from using any account or other LLC assets for any reason other than for the purpose of paying a legitimate and proper expense of the LLCs after receiving agreement from Plaintiff (hereinafter "Restraining Order").

9. This Court can and should take judicial notice of the Restraining Order which is on file with the Beaufort County Clerk of Court.

10. Despite the above referenced Lawsuit and the Restraining Order, Johnson has continued to inappropriately and unlawfully move and convert LLC assets for his own personal use and has further conspired with the other Defendants named herein to conceal and encumber the "fruits" of his unlawful activity in a manner that diverts the assets from the Plaintiff in this matter.

11. Specifically, after the filing of the Lawsuit, Johnson orchestrated a scheme to hide and conceal assets that belong to the LLCs and other assets in his individual name from Plaintiff

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by fraudulently transferring the assets into other Limited Liability Companies owned or controlled by either himself or the other Defendants, who all acted in concert with him.

12. In addition, Johnson placed fraudulent mortgages on properties he owned or other entities in which he owned an interest, in order to make it appear as if Johnson and the other entities in which he has an ownership interest are insolvent or lack equity, as more specifically described in **Exhibit C.** (hereinafter "Fraudulent Transfers/Equity Stripping Transactions").

13. Johnson engaged in this conspiracy with the other Defendants, who aided and abetted and otherwise assisted him in engaging in the Fraudulent Transfers/Equity Stripping Transactions.

14. The facts and information described above show that Johnson has engaged in repeated dishonesty, deception, and fraud.

15. Johnson has demonstrated that he will go to extraordinary lengths to misappropriate, transfer or otherwise dispose of his assets in a manner that benefits only him, with complete disregard for the interests of Plaintiff and the law in South Carolina.

16. Therefore, a TRO is necessary to preserve the status quo and divest Johnson of any ability to further hide, conceal, encumber, sell or otherwise dispose of his assets and to locate, secure and preserve the same so that he can be held accountable in the Lawsuit.

LEGAL AUTHORITY AND ARGUMENT

The purpose of temporary injunctive relief "is to preserve the status quo and thus avoid possible irreparable injury to a party pending litigation*." Zabinski v. Bright Acres Assocs*., 553 S.E. 2d 110, 120 (S.C. 2001); *Mailsource, LLC v. M.A. Bailey & Assoc*s., 588 S.E.2d 635,638 (S.C. Ct. App. 2003). "The granting of temporary injunctive relief is within the sound discretion of the trial court and will not be overturned absent an abuse of that discretion." *Mailsource, LLC,*

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588 S.E.2d at 637-38, quoting (*City of Columbia v. Pic-A-Flick Video, Inc*, 531 S.E.2d 518, 520-21 (S.C. 2000). "An abuse of discretion occurs when a trial court's decision is unsupported by the evidence or controlled by an error of law." *Mailsource, LLC,* at 638 (quoting *County of Richland v. Simpkins*, 560 S.E.2d 902, 904 (S.C. Ct. App. 2004).

Moreover, Plaintiff is not required to obtain a judgment before proceeding with the fraudulent conveyance claims:

> The circuit court alternatively held one must reduce a debt to judgment and obtain a *nulla bona* return as a prerequisite to bringing a fraudulent conveyance action. However, the new South Carolina Rules of Civil Procedure have modified prior procedure relating to joinder of claims. Rule 18(b), SCRCP, provides:
>
> > Whenever a claim is one heretofore cognizable only after another claim has been prosecuted to a conclusion, the two claims may be joined in a single action . . . *In particular, a plaintiff may state a claim for money and a claim to have set aside a conveyance fraudulent as to him, without first having obtained a judgment establishing the claim for money*. [Emphasis in original].

Lebovitz v. Mudd, 293 S.C. 49, 53, 358 S.E.2d 698, 700–01 (1987).

The Court should grant Plaintiff's motion for a temporary restraining order.

Pursuant to Rule 65(b), SCRCP, the Court "can issue a temporary restraining order without providing notice where "it clearly appears from specific facts shown by affidavit or by a verified complaint that immediate and irreparable injury, loss or damage will result to the applicant before notice can be served and a hearing had thereon." *Zabinski*, 553 S.E.2d at 120 (quoting Rule 65(b), SCRCP). To obtain a temporary injunction the moving part must demonstrate that (1) it would suffer irreparable harm if the injunction is not granted, (2) it will likely succeed on the merits, and (3) there is no adequate remedy at law. *See Scratch Golf Co. v. Dunes West Residential Golf Props, Inc*., 603 S.E.2d 905, 908 (S.C. 2004); *MailSource, LLC,* ,588 S.E..2d at 638.

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Here, Plaintiff meets each element required to secure a temporary restraining order. First, Plaintiff will suffer irreparable harm and/or loss in the absence of the issuance of an injunction as Johnson will likely take more actions to transfer and encumber his assets through foreign companies. This will cause even more of a tangled web, may involve other foreign companies subject to foreign laws, and will likely make it impractical to untangle in foreign jurisdictions. This result will leave Johnson insolvent, judgment proof, reward his fraud, and undermine the integrity of the rule of law in South Carolina. Plaintiff will suffer great financial losses as Johnson will not have the means to satisfy any judgment.

Second, Plaintiff will likely succeed on the merits of this case at trial. Plaintiff has made *clear* showing to support one or more of its claims against Johnson. Johnson's actions, coupled with the sworn testimony of his live-in girlfriend, lead to the inescapable conclusion that Johnson is attempting to purposefully manipulate the system and transfer and encumber all of this valuable assets. Johnson has no known viable defense to his actions making it very likely, if not certain, that Plaintiff will succeed on the merits at the trial of this case.

Finally, Plaintiff has no other adequate remedy at law that can rectify the situation. If Johnson's behavior stands or worse continues, Plaintiff will be left with no assets to collect against, and Johnson will have succeeded in not only stealing millions of dollars from Plaintiff, but also in transferring and encumbering his assets to keep them out of reach of Plaintiff. Plaintiff will permanently and irreparably suffer a multimillion-dollar financial loss with no means of recovery. While Johnson has already taken actions to abscond with funds and encumber assets, the Court should not give him the opportunity to do more. Unless the Court issues a TRO to prevent Johnson from continuing to transfer or otherwise dispose of his assets, Johnson's fraud will be rewarded.

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Plaintiff makes this Motion pursuant to Rule 65(b) SCRCP and requests this Court grant Plaintiff's Motion for a TRO in order to temporarily enjoin Johnson from hiding, concealing, misappropriating, selling, encumbering, transferring, or otherwise impairing the value of and otherwise disposing of assets without court approval. Plaintiff further requests that it be given the opportunity to conduct an emergency deposition of Johnson on these and related matters, without prejudice to Plaintiff's right to conduct a traditional discovery deposition of Johnson in this action and the Lawsuit.

CONCLUSION

For the foregoing reasons, Plaintiff respectfully request that this Court GRANT its motion for a TRO.

Respectfully submitted,

TWENGE + TWOMBLEY LAW FIRM

BY: s/J. Ashley Twombley

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Beaufort, South Carolina

December 22, 2022

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	
COUNTY OF BEAUFORT	)	CIVIL ACTION NO.: 2022-LP-07-____
	)	
Blue Bell Holdings, LLC,	)	
	)	
Plaintiff,	)	
vs.	)	
	)	**NOTICE OF LIS PENDENS**
Gary C. Johnson; Stephen D. Halpern; Holly A. Angel; Holly Ann, LLC; Belmont Properties, LLC; the Johnson Halpern Partnership; Shoreline Funding, LLC; and Orange Capital, LLC (Nevis),	)	
	)	
Defendants.	)	

TO: DEFENDANTS ABOVE NAMED:

NOTICE IS HEREBY GIVEN that an action has been or will be commenced in the Court of Common Pleas, Fourteenth Judicial Circuit, Beaufort County, within the time allowed by law required for this lis pendens, upon the Complaint of the above named Plaintiff against Defendants, Gary C. Johnson; Stephen D. Halpern; Holly A. Angel; Holly Ann, LLC; Belmont Properties, LLC; the Johnson Halpern Partnership; Shoreline Funding, LLC; and Orange Capital, LLC (Nevis). Be advised that Plaintiff claims an interest in the real property at issue. The premises covered and affected by said action was at the time of the making thereof and at the time of the filing this notice described as follows:

> ALL that certain piece, parcel or tract of land situate, lying and being in the County Beaufort, Bluffton Township, off U.S. Highway 278, and being more particularly described by a plat thereof prepared by Forest F. Baughman, R.L. S ., dated August 16, 1982, and recorded and made a part of Deed Book 354 at Page 348 in the ROD for Beaufort County, South Carolina. See plat recorded in the ROD for Beaufort County, South Carolina in Plat Book 30 at Page 183
>
> This being the same property Johnson Halpern Partnership conveyed to Gary C. Johnson and Stephen D. Halpern by deed dated December 22, 2016 in Book 3615 at Page 840, and re-recorded on December 28, 2015 in Book 3541 at Page 650 to correct Plat Book Page from 123 to 183.

This being the same property Gary C. Johnson and Steve Halpern conveyed to Belmont Properties, LLC on the 28th day January 2022, recorded in the Beaufort County Register of Deeds. Recorded in the Register of Deeds BK 4111 at pages 0066-0069.

Tax Map Number: R610 031 000 006A 0000
Property Address: 197 Buck Island Road, Bluffton, SC 29910

and

All that certain piece, parcel or lot of land, with improvements thereon, situate, lying and being in the County of Aiken, State of South Carolina, containing 1. 00 acres, more or less, with a 20' Ingress & Egress Easement shown upon a Boundary Survey prepared for Troy D. & Machele Mealing by Besson and Gore, Professional Land Surveyors, dated September 18, 1995, said survey being recorded in the office of the RM.C., Aiken County, South Carolina, in Plat Book 34 at page 104, reference being made to said plat for a more complete description hereof.

This is the same property deeded to Gary C. Johnson by Martin J. Posey Tax Collector for Aiken County, South Carolina dated on the 10th of December 1999, and recorded in the Aiken County Register of Deeds in BK 1941 at page 63.

Property ID: 0011-17-08-016
Property Address: 1040 Motion Street, N. Augusta, SC 29841

and

All that one half divided interest in that certain piece, parcel or lot of land, with improvements situated, lying and being in the State of South Carolina, County of Beaufort aforesaid being on Hilton Head Island and containing 1/2 (one half) acre, with said lands being bounded and described as follows: North by lands of Charles Simmons, East by lands Honey Horn Co., South by lands of Charles Simmons, West by lands of Reuben Chisolm.

This is the same property conveyed to Gary C. Johnson by deed from Julia Singleton Gibbs dated January 21st. 2000., recorded in the Beaufort County Register of Deeds in Deed Book 1571 at page 1576.

Tax Map Number: R510 010 000 032A 0000
Property Address: 51 Bryant Road, Hilton Head Island, SC 29926

and

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All that certain piece, parcel, or tract of land lying and being in the Bluffton Outside District, in Beaufort County, South Carolina containing .95 acres and being bordered on the North by a roadway, on the East by Ballfield Road, on the South by lands of the heirs of Samson Bennett, and on the West by lands of Deborah Pinckney.

This is the same property deeded to Gary Johnson by Treasurer Deed dated the 8th day of November 2000, by Joy Logan, Treasurer of Beaufort County, South Carolina. Recorded in Beaufort County Register of Deeds, December 13th, 2000, in Book 1352 on page 780.

Tax Map Number: R610 031 000 0078 0000
Property Address: 42 Ballfield Rd, Bluffton, SC 29910

and

All that certain piece, parcel or lot of land, situate, lying and being in St. Helena Township, Beaufort County, South Carolina shown and designated as lot 29, on a plat of Horse Island surveyed by B.D. Trogdon, Jr., dated November 5, 1975, and recorded in the office of the Clerk of Court for Beaufort County, South Carolina in plat book 26 at page 149. For a more detailed description as to metes and bounds, courses and distances reference is craved to the above ref erred to plat of record.

This is the same property deeded the 1st day of September 2020 between Millennium Trust Company, LLC Custodian FBO Gary C. Johnson IRA, Successor in interest to Independent Trust Corporation, (Grantor), whose address is 2001 Spring Road, Suite 700, Oak Brook II 60523, and Gary C. Johnson (Grantee), whose address is 60 Brams Point Rd., Hilton Head, SC 29926. Book 3908 at page 2824-2826.

Tax Map Number: R300 018 00A 0074 0000
Property Address: 133 Horse Island Drive, Saint Helena Island, SC 29920

and

All that certain piece or parcel of land lying and being on Daufuskie Island, in Beaufort County, South Carolina and containing 6.21 acres and being bordered on the northeast by lands of Haig Point/Melrose Wastewater Treatment Company for 753 feet, on the southeast by Haig Point Road for a distance of 415 feet on the southwest by lands of Terry R Lee Construction for a distance of 244 feet by lands of Curtis Thompson for a distance of 150 feet.

This property is shown on a boundary survey by Sea Island Survey prepared for Gary Johnson of Tax Parcel 7 A containing 6.21 Acres dated January 15th,2007 recorded in the Beaufort County Register of Deeds on February 6th, 2006, in Plat Book 00118 Page 0073. This being the same property deeded to Gary C Johnson by Joy Logan, Treasurer of Beaufort County recorded November 16th,2006 and recorded January 12th, 2007, in Book 02475 pages 1883-1884.

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Tax Map Number: R800 025 000 007 A 0000
Property Address: 785 Haig Point Rd, Daufuskie, SC 29915

and

One half divided interest in that certain piece, parcel, or lot of land, situate, lying and being on Hilton Head Island, in Beaufort County, South Carolina, containing 1.1 Acres, bounded on the North by lands of Shirley Miller and John F. Stewart, on the East by lands of Dr. C.A Braithwaite and lands of James Green.

This is the same property conveyed to Gary C. Johnson on the 21st Day of December 1995 by Deed of Joy Logan, Treasurer of Beaufort County. Recorded in the Beaufort County Register of Deeds Book 824 at Page 1103.

Tax Map Number: R510 007 000 046J 0000
Property Address: 75 Wildhorse Road, Hilton Head, SC 29926

and

ALL those certain pieces, parcels or lots of land, situate, lying and being on Maryfield Plantation. Daufuskie Island, State of South Carolina, containing 12.00 acres and designated as District 800, Mao 24, Parcel on the tax records of the Beaufort County assessors.

This is the same property deeded to Gary Johnson by Joy Logan, The Beaufort County Treasurer on the 14th day of November 1991 and recorded on the 13th day of December 1991 and Recorded the 13th day of December 1991, in the Beaufort County Register of Deeds in Book 587 at Page 155.

Tax Map Number: R800 024 000 0025 0000
Property Address: 12 Acres Maryfield Subdivision, Daufuskie, SC 29915

and

All that certain piece, parcel or lot situate, lying and being on Daufuskie Island, in Beaufort County, South Carolina, shown and designated as lot Number 13 on a plat of Maryfield Subdivision dated September 30, 1983, prepared by Sea Island Engineering Inc., Benjamin Wilson, SC Registered land Surveyor (S.C.RL.S. No. 5424), which plat was recorded in the office of Court for Beaufort County, South Carolina in plat Book 33 at page 123. Said property having dimensions, metes and bounds as shown on said plat is conveyed subject to all easements shown thereon.

This is the same property deeded to Gary Johnson by Joy Logan, Beaufort County Treasure dated the 7th day of January 1994 and recorded the 14th day of February in Beaufort County Register of Deeds book 677-page 1163. Register of Deeds book 677-page 1163.

Tax Map Number: R800 022 00A 0045 0000
Property Address: 8 Maryfield Ct, Daufuskie, SC 29915

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and

All that certain piece, parcel or lot of land situate, lying and being on Hilton Head Island, in Beaufort County South Carolina containing 1.17 acres and being bordered on the Northeast by lands of Gary Johnson, on the Southeast by Wild Horse Road, on the Southwest by lands of Elizabeth Bligen and by lands of Elijah Bligen and by lands of Ronald Steward, and by lands of Cesar Wright, and on the Northwest by lands of Dannie Miller. This being the remaining 1.17 acres of parcel 16D, which was sold previously at a tax sale. Said property is shown on a Boundary Survey prepared by Sea Island Survey dated 10/25/2007, located on Wild Horse Road, Hilton Head, South Carolina, recorded in the Beaufort County Register of deeds in Plat Book 00122 PG 0052.

This is the same property conveyed by ZACCHEUS REO I (Grantor) to Gary C. Johnson (Grantee). By Warranty Deed dated the 22nd of August 2000 and recorded in the Beaufort County Register of Deeds in Book 1336 Page 1169.

Tax Map Number: R510 007 000 016D 0000
Property Address: Wild Horse Road, Hilton Head, SC 29926

and

All that certain piece, parcel or lot of land, situate, lying and being in the Hilton Head District containing 1.17 acres in Beaufort County, South Carolina, and being bounded on the Northeast by Diane Miller, parcel 128; on Southeast by the Heirs of Gilbert Miller, Parcel 16c; and on the Southwest by S.C. Hwy294. Said property is shown on a Boundary Survey prepared by Sea Island Survey dated 10/25/2007, located on Wild Horse Road, Hilton Head, South Carolina, recorded in the Beaufort County Register of deeds in Plat Book 00122 PG 0052.

This is the same property conveyed by the Beaufort County Treasurer (Grantor) to Gary C. Johnson (Grantee). By Deed dated the 18th of December 1996 and recorded in the Beaufort County Register of Deeds in Book 909 Page 1374.

Tax Map Number: R510 007 000 0299 0000
Property Address: Wild Horse Road, Hilton Head, SC 29926

and

All that certain Unit, lying and being in Shelter Cove, Palmetto Dunes Resort on Hilton Head Island, Beaufort County, South Carolina, and being known as Unit No. 7118 of Harbourside I & II Horizontal Property Regime, and being more particularly shown and described by reference to the Master Deed being dated the 12th day of July 1983, and recorded in the office of the Register of Deeds for Beaufort County, South Carolina, in Book 373 at Page 462, and Plat Book 31 at 139, and all amendments thereto.

This is the same property conveyed by Warranty Deed from H. Peter Montminy, Jr. and Janet E. Montminy Grantors to Holly Ann, LLC Grantee dated the 17th of

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November 2021 and recorded in the Beaufort County Registry of Deeds in Book 4094 pages 1591-1593.

Tax Map Number: R520 012 00B 0019 7118.
Property Address: 17 Harbourside Ln Unit 7118, Hilton Head, SC 29928

and

ALL that certain piece, parcel or lot of land situate, lying and being in The Town of Hilton Head Island, Beaufort County, South Carolina, being more particularly known and described as Lot 41, of the Subdivision of Sandcastles by the Sea; said lot having such dimensions, metes and bounds as are shown on the Plat entitled "Subdivision Plat of Sandcastles by the Sea, Folly Field Road, Hilton Head Island, Beaufort County, South Carolina," said plat being dated June 15, 2005, last revised May 19 2006, prepared by Surveying Consultants, Terry G. Hatchell, S.C.R.L.S. No. 11059, and recorded in the ROD for Beaufort County, South Carolina on May 19, 2006, in Plat Book 113 at Page 164.

This being the same property conveyed by Deed by Master In Equity to Shoreline Funding, LLC dated July 11, 2013, and recorded in Book 3258 at Page 372 in said ROD for Beaufort County, South Carolina.

Tax Map Number: R511 009 000 1147 0000
Property Address: 109 Sandcastle Court, Hilton Head Island, SC 29926

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Beaufort, South Carolina

December 22, 2022

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ELECTRONICALLY FILED - 2023 Feb 09 4:13 PM - BEAUFORT - COMMON PLEAS - CASE#2022CP0702454

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE FOURTEENTH JUDICIAL CIRCUIT
COUNTY OF BEAUFORT	)	CASE NO: 2022-CP-07-02454
	)	
BLUE BELL HOLDINGS, LLC,	)	
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
GARY C. JOHNSON, STEPHEN D. HALPERN, HOLLY A. ANGEL, HOLLY ANN, LLC, BELMONT PROPERTIES, LLC, THE JOHNSON HALPERN PARTNERSHIP, SHORELINE FUNDING, LLC, AND ORANGE CAPITAL, LLC (NEVIS)	)	
	)	
Defendants.	)	
	)	

DEFENDANT GARY C. JOHNSON'S OPPOSITION TO PLAINTIFF'S MOTION FOR TEMPORARY RESTRAINING ORDER/ PRELIMINARY INJUNCTION

On December 22, 2022, an *Ex Parte* Temporary Restraining Order was entered against Defendant Gary C. Johnson ("Johnson"). Because Plaintiff Blue Bell Holdings, LLC ("BBH") cannot show irreparable injury will occur in the absence of an injunction, a likelihood of success on the merits of its underlying claims, or the inadequacy of legal remedies, its request for an injunction must be denied and the *Ex Parte* Temporary Restraining Order declared wrongful and dissolved.

This lawsuit, which was filed on the same day the *ex parte* Order was entered, is the second instituted (and pending) against Johnson by BBH in the latter's scheme to deny Johnson his 50% interest in the companies that Johnson's knowledge and hard work have made profitable over the past 13+ years.

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Contrary to the allegations of the December 22, 2022, Verified Complaint, Johnson has taken no illegal action, nor has he taken any action in an "attempt to escape a multimillion-dollar liability". As set forth in more detail below, there is no "multimillion-dollar liability" as BBH's claims are meritless. One thing that the Verified Complaint got right is that "[t]his is a case of fraud and manipulation", but the fraud and manipulation is on the part of BBH and its principal/predecessor in interest, David Brosman, and is for the singular purpose of denying Johnson what he is undoubtedly entitled to as their business ventures have come to the end of their natural courses. Obtaining an *ex parte* temporary restraining order prohibiting Johnson from even paying his electric bill, three days before Christmas no less, based on facts that Brosman/BBH have been aware of at least since September 2022, is an attempt to bully and harass Johnson and a misuse of the court system.

Per the Verified Complaint, Johnson and David Brosman formed three LLCs to purchase undervalued rental real estate to put on the short-term rental market until values improved, then sell them for a profit. See Verified Complaint ("V.C."), ¶ 15. Those three LLCs Are: 30 Haul Away, LLC ("30HA") (formed on June 1st, 2009); 6 Shelley Court, LLC ("6SC") (formed on December 11th, 2009, now dissolved); and Island Funding, LLC ("IF") (formed on November 16th, 2012) (collectively, the "LLCs"). V.C. ¶¶ 14, 17. Johnson had been in the real estate industry in one capacity or the other since 1973 and had found considerable success, first as a real estate salesman and later as a broker, builder, and investor. Johnson Aff., ¶ 2 (attached as Exhibit A). Johnson met Brosman in or around 1992, when he and his then-wife, Elaine, moved next door to Johnson at 58 Brams Point Road on Hilton Head Island. Johnson Aff., ¶ 5. Through neighborly interactions, Johnson learned that Brosman was a physician and also active in the real estate industry on his own and with his friend and neighbor, Chris Lindgren. Johnson Aff., ¶ 6.

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In 2009, Brosman began discussing the possibility of buying a rental house with Johnson that they could rent on VRBO to offset the holding costs until the market improved. Johnson Aff., ⁋ 8. Johnson made sure Brosman understood he was not buying Johnson's real estate investment company or his MLS brokerage, Boardwalk Properties, LLC. Johnson Aff., ⁋ 8. The partnership was not intended be exclusive and was limited to the properties the two purchased together. Johnson Aff., ⁋ 8. At the time, Johnson was actively investing in real estate on his own and in other partnerships with different partners, none of which were exclusive. Johnson Aff., ⁋ 8. At no time was there any discussion about Johnson ceasing all other real estate related activities. Johnson Aff., ⁋ 9. Had such a request been made, Johnson absolutely would have refused as real estate is how he makes his living and he would never have agreed to limit his investment activities solely to those with Brosman. Johnson Aff., ⁋ 9.

Despite alleging in the separately pending lawsuit that Brosman/BBH just "recently discovered" Johnson was involved in a partnership called the Johnson-Halpern Partnership that was engaged in the purchase and sale of real estate, Brosman was well aware of Johnson's partnership and activities long before any of the LLCs at issue here were formed, as evidenced by the fact that Brosman had sold property to the Johnson-Halpern Partnership in 1996. Johnson Aff., ⁋ 6 (deed attached to affidavit).

Throughout the course of their business relationship, Johnson researched and identified nearly all of the potential property purchases, attended all of the tax sales and closings, managed the renovations and repairs to the acquired properties (including the extensive repairs necessitated by Hurricane Matthew in 2016), handled the day-to-day operations of the LLCs, and took over the management of the rental properties the LLC's have owned from time to time. Johnson Aff., ⁋ 11. As for the houses the LLCs purchased out of foreclosure, it was Johnson that was essentially

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gutting them, hauling off all the garbage and debris, and picking up/delivering supplies and materials. Johnson Aff., ⁋ 45.

From the time they formed the first LLC, Johnson used his own Chevy truck for the LLCs' business resulting in the vehicle being all but destroyed. Johnson Aff., ⁋ 45. When the truck's transmission started having issues in early 2014, Johnson approached Brosman about the need for a truck to perform LLC-related work. Johnson Aff., ⁋ 45. Brosman agreed that IF should purchase the truck that Johnson had located, a 2011 Ford F150. Johnson Aff., ⁋ 46. Upon learning that it would be significantly more expensive to carry automobile insurance in the name of IF (because of the need to obtain a commercial policy), Brosman agreed that title to the truck would be taken in Johnson's name and that Johnson would obtain the insurance. Johnson Aff., ⁋ 46. At all times, Johnson has paid the insurance and some other expenses relating to the truck himself, although IF paid for most of the fuel and the maintenance. Johnson Aff., ⁋ 46. The Verified Complaint's portrayal of this transaction as Johnson using company funds to purchase a car for himself without Brosman's knowledge is absolutely false. The truck has been listed as an IF asset and depreciated on IF's tax returns from 2014 to present. Johnson Aff., ⁋ 46. Moreover, Johnson owned several other nicer, newer cars that were at his disposal, he had no need nor desire to "joyride" in the 2011 Ford F150 work truck. Johnson Aff., ⁋ 47.

At some point in 2016, Brosman assigned his interests in IF and 30HA to Nautique Holdings, LLC, a company that he formed in Nevis.[1] Johnson Aff., ⁋ 15. According to his son, Matthew Brosman, Esquire, this assignment was for "estate planning purposes." Johnson Aff., ⁋ 15 (referencing and attaching email from M. Brosman). In May of 2021, Brosman purportedly

[1] It is not currently known whether this assignment was/is valid. Johnson is not in possession of the documentation required by the Operating Agreements of those companies to effectuate an assignment of interest, but has requested the same in discovery.

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assigned his interests in IF and 30HA from Nautique Holdings, LLC, to BBH, for "new estate planning purposes." Johnson Aff., ⁋ 15.

At the time of the assignment to BBH, Johnson and Brosman had been in discussions as to the winding up of their business ventures. Johnson Aff., ⁋ 18. The parties' respective capital accounts were unbalanced at that time, and it was decided that properties owned by IF and 30HA would be sold and the proceeds and other assets distributed to BBH, until the capital accounts were equal. Johnson Aff., ⁋ 18. This agreement was memorialized in resolutions drafted by Matthew Brosman, Esquire, and signed by Johnson and Brosman (as manager of BBH) in May and August of 2021. Johnson Aff., ⁋ 18 (attaching resolutions). Pursuant to the resolutions, they began selling property and distributing the proceeds and other assets, resulting in a total of approximately $2,500,000.00 being distributed to BBH between May and August of 2021. Johnson Aff., ⁋ 20.

Remarkably, less than two months after executing these legal documents – contracts – characterizing the funds he contributed to the LLCs as "capital contributions", Brosman/BBH filed the separately pending lawsuit (the "First Lawsuit") in which he claims that those funds were actually loans, not capital, and therefore, that he is owed millions in interest. This claim is made despite the LLCs' tax returns, and Brosman's K-1s, showing every year, with one exception, that the money contributed by Brosman was capital, not debt. That one exception was in the 2016 returns. Johnson received an email from the LLCs' tax preparer on September 6, 2017, in connection with her preparation of the 2016 returns in which she indicates that Brosman requested the reclassification due to "a personal issue that he was having." Johnson Aff., ⁋ 16 (attaching referenced email). It is unknown at this time what that "personal issue" was, but the Beaufort County Clerk of Court's website reflects that Brosman filed for divorce from his wife on June 23,

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2016 (C/A No: 2016-DR-07-00824). In the 2017 returns, the funds were reclassified from debt to equity (capital contributions) and have remained as such since that time. Johnson Aff., ⁋ 17.

Also worth noting is that the Complaint in the First Lawsuit alleges that the principal amount owed on these alleged "loans", or "unpaid advances", is approximately $3,000,000.00. Johnson Aff., ⁋ 27; First Lawsuit Complaint, pp. 6 & 9 (attached as Exhibit B). This is entirely disingenuous as it fails to take into account the nearly $2,500,000.00 distributed to Brosman/BBH in the months that immediately preceded the filing of the First Lawsuit. Johnson Aff., ⁋ 27.[2]

The Verified Complaint in this lawsuit alleges Johnson engaged in a scheme to conceal his assets by transferring his property into other LLCs and placing fraudulent mortgages on properties he owns to make it appear as if he's insolvent. BBH lists seven specific transactions which it contends are fraudulent. The crux of the allegations, or at least the only allegations that merit a response, relate to "mortgages" given by Johnson to Orange Capital, LLC, a Nevis company formed by Johnson.

Given the downturn in the economy and the corresponding effects that has on the real estate market, Johnson was looking to be able to raise cash out of the equity in his properties for his own projects/investments and to start a short-term loan business lending to investors who might need financing at foreclosure and tax sales as a bridge between the flip or time to get their permanent financing. Johnson Aff., ⁋ 57. They would be bridge loans in the form of a line of credit secured by the equity in his real estate. Johnson Aff., ⁋ 57. Additionally, Johnson was concerned about his ability to get traditional financing himself during the pendency of the First Lawsuit. Johnson Aff., ⁋ 61.

[2] While the $2.5mm distributed to BBH in May-August 2021 would have presumably included profits, BBH's 2021 K-1s (Ex. 7 to Johnson Affidavit) reflect that at the end of 2021, the total value of his IF and 30HA capital accounts, which include all funds contributed by BBH (the same funds it now claims were advances/loans), was $1,351,262, a far cry from the $3mm claimed to be owed.

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Johnson began researching using a Nevis-based company to accomplish this. Johnson Aff., ⁋ 59. He got the idea of using a Nevis-based company from David and Matthew Brosman. Johnson Aff., ⁋ 56. Johnson's belief was, and is, that having a Nevis LLC holding the security (and issuing the line of credit) would protect his interests as well as his future clients' interests. Johnson Aff., ⁋ 58. In researching the formation of Nevis companies, Johnson found a firm/company called Lawyers Limited, who he retained to assist him in creating Orange Capital, LLC. Johnson Aff., ⁋ 59. Lawyers Limited also prepared the "Mortgages" that Johnson had recorded on his properties, which are actually lines of credits. Johnson Aff., ⁋ 59. Johnson's intention in doing all of this was not to defraud anyone or anything, his intention was to preserve his ability to raise capital should he desire to do so in view of increasing interest rates and a deflating real estate market. Johnson Aff., ⁋ 60. In other words, he wanted to be able to raise funds and understood that this was a way of accomplishing that. Johnson Aff., ⁋ 60.

Of note, no equity has been taken out of any of the properties – the balance on each line of equity is $0. Johnson Aff., ⁋ 62.

LEGAL ARGUMENT

"The remedy of an injunction is a drastic one and ought to be applied with caution." Forest Land Co. v. Black, 216 S.C. 255, 57 S.E.2d 420, 426 (1950); Lefurgy v. The Long Cove Owners Ass'n, Inc., 313 S.C. 555,443 S.E.2d 577 (Ct. App. 1994). A preliminary injunction should issue only if necessary to preserve the status quo ante, and only upon a showing by the moving party that: (1) without such relief it will suffer irreparable harm; (2) that it has a likelihood of success on the merits; and (3) and that there is no adequate remedy at law. Poynter Invs., Inc. v. Century Builders of Piedmont, Inc., 387 S.C. 583, 586–87, 694 S.E.2d 15, 17 (2010).

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An injunction is not necessary to preserve the status quo, which is a fiercely contested dispute between two former neighbors with 13+ years of joint transactions and business ventures. The injunctive relief sought by BBH is in no way necessary or justified and would entirely upend the status quo. This is evidenced by the fact that BBH has known about the transactions giving rise to this lawsuit since at least early September, knows that Johnson is represented by counsel, and yet nonetheless waited until three days before Christmas to seek an *ex parte* order that essentially froze all of Johnson's assets. The injunction sought by BBH must be denied because BBH cannot make the necessary showing to justify its issuance.

I. Plaintiff cannot show likelihood of success on the merits of the Verified Complaint's causes of action.

BBH alleges that Johnson conspired with the other Defendants to engage in a series of fraudulent conveyances with the intent of avoiding a potential future indebtedness should the First Lawsuit result in a judgment against Johnson and in favor of BBH. Injunctive relief may not be bottomed on unfounded fears or speculative determinations, and that is exactly what this lawsuit is.

BBH is putting the cart before the proverbial horse. While a litigant may state a claim for money and state a claim to have a fraudulent conveyance set aside pursuant to Rule 18(b), SCRCP (joinder of remedies), the latter is cognizable only after the money claim has been prosecuted to a conclusion. In other words, where the two claims are permissibly joined, the fraudulent conveyance claim, and its remedy of setting aside a conveyance, is contingent upon successful prosecution of the money claim.

A. Plaintiff cannot show likelihood of success on the civil conspiracy cause of action.

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The only substantive cause of action in this action that would entitle BBH to a money judgment that, in turn, would allow BBH to seek the remedy of setting aside a fraudulent conveyance, is the civil conspiracy cause of action. A plaintiff asserting a civil conspiracy claim must establish: (1) the combination or agreement of two or more persons; (2) to commit an unlawful act or a lawful act by unlawful means; (3) together with the commission of an overt act in furtherance of the agreement; and (4) damages proximately resulting to the plaintiff. Paradis v. Charleston Cnty. Sch. Dist., 433 S.C. 562, 574, 861 S.E.2d 774, 780 (2021).

BBH is not likely to succeed on the merits of its civil conspiracy cause of action because BBH cannot prove, and in fact has not even pled, that it has incurred actual damages.

> While proof, with mathematical certainty, of the amount of loss or damage is not required, in order for damages to be recoverable the evidence should be such as to enable the court or jury to determine the amount thereof with reasonable certainty or accuracy. Neither the existence, causation nor amount of damages can be left to conjecture, guess or speculation.

Gray v. S. Facilities, Inc., 256 S.C. 558, 570–71, 183 S.E.2d 438, 444 (1971). In connection with its civil conspiracy cause of action, BBH pleads that "Johnson engaged in a scheme to hide, divert and encumber his assets in order to delay, hinder, or defraud Plaintiff's collection efforts *in the event a judgment was entered against him*." Verified Complaint, ¶ 120 (emphasis added). BBH will only sustain damages from this alleged conspiracy ***if*** a judgment is entered against Johnson in the First Lawsuit and ***if*** BBH is unable to collect on that judgment. As such, BBH cannot presently show that it is likely to succeed on this claim because it has not been damaged, and may in fact never be damaged, by the allegedly conspiratorial acts. The Court cannot assume that a judgment will be rendered against Johnson in the First Lawsuit, or that Johnson would be unable to satisfy such a judgment. Johnson values his interests in the LLCs alone at somewhere between $2,500,000-$3,000,000, and estimates his net worth, exclusive of his interests in the LLCs, at

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approximately $3,00,000. Johnson Aff., ⁋⁋ 63-64. This far exceeds any judgment that could be rendered against him in the First Lawsuit.

B. Plaintiff cannot show likelihood of success on the fraudulent conveyance cause of action.

Along the same lines, in order to succeed on a fraudulent conveyance claim, BBH must first show that it has been defrauded by the conveyances at issue, which it cannot do. "It cannot be said that a creditor has been delayed, hindered, or defrauded until some property ***out of which he or she has a specific right to be satisfied*** is withdrawn from his or her reach." 37 Am. Jur. 2d *Fraudulent Conveyances and Transfers* § 131 (emphasis added). The Statute of Elizabeth, S.C. Code Ann. § 27-23-10, "does not limit its application to judgment creditors, rather, its protection extends to other types of parties ***defrauded*** in connection with conveyance of property." Lebovitz v. Mudd, 293 S.C. 49, 358 S.E.2d 698 (1987) (emphasis added). There is no basis from which this Court can conclude that BBH has been defrauded by the conveyances at issue because BBH does not have a presently enforceable debt. BBH's claims are not ripe. Any evaluation of the success of BBH's claim that these transfers are fraudulent in the event that at some future date BBH is determined or adjudicated to be owed money by Johnson amounts to pure speculation.

Moreover, BBH cannot show, even if its fraudulent conveyance claim was ripe, that it is likely to succeed on the merits of that claim, which is governed by a clear and convincing evidentiary standard. See Judy v. Judy, 403 S.C. 203, 207, 742 S.E.2d 672, 675 (Ct. App. 2013).

As to BBH's allegations concerning Johnson's intent or purpose in participating in the conveyances, Johnson absolutely denies that he did so "[t]o prevent Plaintiff from collecting on a judgment [in a separately lawsuit]" or that he believes that it is "likely that a substantial judgment [will] be entered against him [in that lawsuit]." Verified Compl., ⁋⁋ 110, 112.

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First, as established by his affidavit, Johnson engaged in the challenged transactions not for the purposes of defrauding anyone. Rather, he wanted to be able to raise cash out of the equity in his properties for his own projects/investments and to start a short-term loan business given the downturn in the economy and the corresponding effects that has on the real estate market. Johnson Aff., ⁋ 57. The challenged "mortgages" are actually lines of credit, none of which have been drawn down. Johnson Aff., ⁋⁋ 59, 62.

Second, Johnson did not engage in these transactions for the purpose of avoiding any judgment against him in the underlying suit because he does not believe any judgment will be rendered against him, and certainly not in any amount that he can't satisfy with other assets. Johnson Aff., ⁋ 62. For example, the primary claim in the First Lawsuit is that the money BBH's predecessor in interest, David Brosman, contributed to the LLCs was debt (loans), not equity (capital contributions), and that he/it is therefore entitled to be paid interest. This claim will not be successful, and the separately pending lawsuit is nothing more than a "money grab" to try to prevent Johnson from receiving his 50% share of the LLCs as they are wound down and dissolved.

To succeed on its claim that it is owed interest, BBH would have to establish that its contributions were loans, not capital contributions. There are a myriad of reasons that BBH cannot do this, not the least of which is the fact that in May and August of 2021, just months before the complaint in the First Lawsuit was filed on October 26, 2021, Brosman, on behalf of BBH, executed resolutions affirming that the contributions were, in fact, capital contributions and properly shown as such in his capital accounts for 30HA and IF. Johnson Aff., ⁋ 18 (attaching resolutions). Moreover, with the exception of the one year in which Brosman instructed the LLCs' tax-preparer to classify the money as debt "for personal reasons", that money has always been shown on the LLCs' tax returns and the members' K-1s as capital. Johnson Aff., ⁋ 17. Additionally,

pursuant to the Operating Agreements for 30HA and IF, the consent of all members is required for the LLCs to borrow money. See 30HA and IF Op. Agmts., ¶ 6.1(G) (attached as Exhibit A to Verified Complaint). Johnson was never asked to consent to Brosman "loaning" the LLCs the money in question and would never have agreed to it if asked. Johnson Aff., ¶ 28. There is also no evidence that the LLCs did not have "sufficient funds to pay [their] obligations" at the time the funds were contributed by Brosman, which is required by the Operating Agreements in order for a member to advance money to the companies. Op. Agmts., ¶ 4.5. Finally, and perhaps most importantly, pursuant to the Operating Agreements, even if the funds contributed were "loans", interest payments would be an obligation owed by the LLCs (Op. Agmts., ¶ 4.5), not Johnson individually because members are not liable for the obligations of the LLCs (Op. Agmts., ¶ 3.7); see also S.C. Code Ann. § 33-44-303(a) (members not liable for obligations of LLC); S.C. Code Ann. § 33-44-403(b), (c) (loans/advances by members of an LLC are obligations of the LLC).

The remaining claims of the First Lawsuit are similarly flawed and, for the most part, likely to be determined untimely and barred by the applicable statute of limitations or waived. For example, the other large money claim is that Johnson unfairly competed with the LLCs. Johnson categorically denies that any of his activities were in competition with the LLCs. Johnson Aff., ¶¶ 36-38. Regardless, BBH's own listing of these allegedly unfair/competitive transactions on p. 5 of the First Lawsuit Complaint (chart reproduced at ¶ 36 of Johnson Aff.) demonstrates that they are all far beyond the three-year statute of limitations, with the most recent transaction occurring in 2016. Even if not barred by the statute of limitations, this claim fails due to the doctrines of waiver and consent. Brosman/BBH were well-aware that Johnson was engaged in his own, separate investment deals. Johnson Aff., ¶¶ 33, 35. Equity will not allow BBH to succeed on these claims, especially given that Brosman was engaged in the very same conduct that is now being alleged to

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be wrongful. Johnson Aff., ¶ 34. Finally, the calculations put forth are far from accurate. BBH claims damages in the amount of $743,000 for these breach of loyalty transactions, but bases its calculations on purchase and sales prices, failing to take into account carrying and closing costs. The true figure is closer to $167,000, which is the $114,627 from the Shoreline transactions (Johnson Aff., ¶ 38(a)-(g)); $51,831.72 from the Johnson/Moss Creek transaction (Johnson Aff., ¶ 38(h)); and $0 from the Johnson Halpern transactions, due to the fact that these were not "opportunities" found/owned by Johnson, they were discovered and pursued by his partner (Johnson Aff., ¶ 39).

The lack of merit in BBH's claims that Johnson misappropriated funds from the LLCs is evident simply by reference to the LLCs' tax returns, which show that every single penny Johnson received from the LLCs was recorded as a distribution to him. Johnson Aff., ¶ 30. In other words, there was no theft. No attempt was made to hide or conceal the distributions, and Johnson's capital account was reduced accordingly. Johnson Aff., ¶ 30. That is not theft, and it caused no damage to BBH/Brosman given the reduction of Johnson's capital account. Moreover, Brosman consented to these distributions. Johnson Aff., ¶ 30. It is true that there were times that Johnson received a distribution and Brosman did not. However, this was at Brosman's specific request. Johnson Aff., ¶ 29. For reasons that will be explored in detail in discovery, Brosman told Johnson he couldn't or wouldn't take distributions on many occasions because of various personal reasons. Johnson Aff., ¶ 29. To the extent BBH is making an unequal distribution claim as opposed to a theft/misappropriation claim, once again, that claim is improperly asserted against Johnson individually, and the amount limited by the applicable statute of limitations. See S.C. Code Ann. § 33-44-405(c) (a member entitled to a distribution has the status of a creditor of the company). What cannot be overlooked here is the fact that the resolutions entered into by the parties in May

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and August 2021, would have given BBH the remedy it now seeks – equalization of the capital accounts.

Suffice it to say that Johnson vehemently denies the allegations in the First Lawsuit and it cannot be concluded that BBH will be successful in showing that Johnson took any action out of fear of a large money judgment against him in that matter.

i. Cannot show insufficient assets to satisfy any future judgment.

Although Johnson had no intent to defraud in engaging in the challenged transactions, intent is not necessarily the dispositive factor. Under the Statute of Elizabeth, S.C. Code Ann. § 27–23–10, a transfer made without valuable consideration will be set aside as a fraudulent conveyance without regard to intent if the grantor was indebted to the plaintiff at the time of the transfer and the grantor failed to retain sufficient property to pay his debt to the plaintiff, not merely at the time of transfer, but at the time plaintiff seeks to collect. Royal Z Lanes, Inc. v. Collins Holding Corp., 337 S.C. 592, 594, 524 S.E.2d 621, 622 (1999); Mathis v. Burton, 319 S.C. 261, 265, 460 S.E.2d 406, 408 (Ct. App. 1995).

BBH is not likely to succeed on the merits of any claim that Johnson failed to retain sufficient property to pay a debt owed to it at the time BBH seeks to collect. That claim cannot even be evaluated because it is entirely speculative and premature. Nevertheless, as set forth above, the claims made against Johnson in the underlying lawsuit, and value of those claims, asserted by BBH are dubious at best, as is Johnson's individual liability if liability actually exists. Johnson has sufficient assets, just in the value of his 50% interest in the LLCs, to satisfy any judgment rendered against him.

Procedurally and substantively, BBH cannot show a likelihood of success on the merits of its fraudulent conveyance claim.

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II. Plaintiff cannot show that it will be irreparably harmed in the absence of injunctive relief.

"An injunction is a drastic remedy issued by the court in its discretion to prevent irreparable harm suffered by the plaintiff." Scratch Golf Co. v. Dunes W. Residential Golf Props., Inc., 361 S.C. 117, 121, 603 S.E.2d 905, 907 (2004). The United States Supreme Court has explained:

> The key word in this consideration is irreparable. Mere injuries, however substantial, in terms of money, time and energy necessarily expended in the absence of a stay, are not enough. The possibility that adequate compensatory or other corrective relief will be available at a later date, in the ordinary course of litigation, weighs heavily against a claim of irreparable harm.

Sampson v. Murray, 415 U.S. 61, 90 (1974).

BBH cannot show ***any*** harm in the absence of injunctive relief, let alone irreparable harm. A plaintiff must demonstrate more than the mere possibility of irreparable harm; the plaintiff must demonstrate that irreparable injury is likely in the absence of an injunction. Winter v. Natural Res. Def. Council, Inc., 555 U.S. 7 (2008).

The injuries specified in the complaint as irreparable are remote and speculative at best, and, if they ever come to fruition, subject to an action for damages, and not for injunction.

III. Plaintiff cannot show the inadequacy of legal remedies.

An injunction is an equitable remedy; as such, it is available only where no remedy at law exists or where the legal remedy would fail to make the party whole. MailSource, LLC v. M.A. Bailey & Assocs., 356 S.C. 363, 369–70, 588 S.E.2d 635, 639 (Ct. App. 2003).

> The general rule is that an injunction should be granted only where some irreparable injury is threatened for which there is no adequate remedy at law. Whether a wrong is irreparable in the sense that equity may intervene, and whether there is an adequate remedy at law for a wrong, are questions that are not decided by narrow and artificial rules.

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Id. (quoting Cartee v. Lesley, 286 S.C. 249, 256, 333 S.E.2d 341, 345 (Ct. App. 1985) (citations omitted) (holding that a "complaint fails to state a cause of action for injunctive relief unless facts are alleged which show that the plaintiff has no adequate and complete remedy at law").

The fact that BBH has pled causes of action, albeit fatally flawed, for civil conspiracy and fraudulent conveyance shows that there are legal remedies available for the potential, speculative future damages it believes it may one day be found to have suffered.

Finally, BBH makes claims in its Verified Complaint that Johnson is insolvent. This is simply not true. Johnson's interests in 30HA and IF are worth more than what BBH will ever be likely to be awarded against Johnson in the First Lawsuit, which is still in the first stages of discovery.

CONCLUSION

For all of the above reasoning and law, Defendant Gary C. Johnson respectfully requests that Plaintiff's request for a temporary restraining order/preliminary injunction be denied, and that the *Ex Parte* Temporary Restraining Order be declared wrongful and immediately dissolved.

SAXTON & STUMP, LLC

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February 9, 2023

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STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	FOR THE FOURTEENTH JUDICIAL CIRCUIT
COUNTY OF BEAUFORT	)	CASE NO: 2022-CP-07-02454
	)	
BLUE BELL HOLDINGS, LLC,	)	
	)	
Plaintiff,	)	
	)	
v.	)	
	)	
GARY C. JOHNSON, STEPHEN D. HALPERN, HOLLY A. ANGEL, HOLLY ANN, LLC, BELMONT PROPERTIES, LLC, THE JOHNSON HALPERN PARTNERSHIP, SHORELINE FUNDING, LLC, AND ORANGE CAPITAL, LLC (NEVIS)	)	
	)	
Defendants.	)	
	)	

AFFIDAVIT OF GARY JOHNSON

1. My name is Gary C. Johnson. I am over the age of 18 and have personal knowledge of and am competent to testify about the matters addressed in this Affidavit.

BACKGROUND

2. I have been in the real estate business for most of my adult life – since 1973 – first as a real estate salesman and later as a real estate broker, builder, and investor.

3. I moved to Hilton Head Island in 1986 after selling a resort motel that I owned and operated on Cape Cod. I purchased and moved into a home at 60 Brams Point in Spanish Wells in 1988.

4. I became a real estate broker in South Carolina in 1987, and in 2006, I formed Boardwalk Properties, LLC. I started a partnership with Stephen Halpern, a defendant in this lawsuit, in 1992. We primarily purchased real estate at auctions. The Johnson-Halpern Partnership was dissolved in 2014.

CREATION OF BROSMAN/JOHNSON LLCs

5. I met David Brosman in or around 1992, when he and his then-wife, Elaine, moved next door to me at 58 Brams Point.

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6. Dave would drop by from time to time to say hello and we would talk about our respective real estate deals and make small talk. Dave was, and is, a practicing physician with his own medical practice, but was also in the real estate business on his own and also with his friend and neighbor, Chris Lindgren. In fact, in 1996, Dave sold a piece of real estate to my partnership with Stephen Halpern (the Johnson-Halpern Partnership). See 8/8/96 Deed, attached as **Exhibit 1**. That wasn't the only real estate transaction between that partnership and Dave.

7. Sometime around 2003, Dave separated from his wife, Elaine, and moved out for a number of years. In 2008, maybe 2009, I ran into Dave next door and he asked me if I knew of any foreclosure houses available in Spanish Wells. I found 40 Widewater Rd. for sale and he put it under contract. He surprised me by asking if I would loan him $600,000 from my line of credit for a few weeks so he could show a large deposit that would allow him to qualify for a preferred interest rate. He said he had the money in cash in a safety deposit box that he could give me as collateral. I told him I couldn't do that.

8. In 2009, Dave began discussing the possibility of buying a rental house together that we could rent on VRBO to offset our holding costs until the market improved. At the time, there wasn't enough margin to make money flipping houses. I made sure Dave understood he was not buying my real estate investment company or my MLS brokerage, Boardwalk Properties, LLC. The partnership was not intended be exclusive and was limited to the properties we purchased together. At the time, I was in several real estate partnerships with different partners, none of which were exclusive. I was also actively investing in the real estate market on my own, as I had done for many, many years prior and still to this day.

9. At no time did I say, or did Dave request, that I cease all other real estate related activities. Had such a request been made, I absolutely would have refused as real estate is how I make my living and I would never have agreed to limit my investment activities solely to those with Dave.

10. I have spent the last 35 years buying, renovating, and improving properties for rental or resale. That, along with my real estate brokerage business, is my primary source of income. I would have never agreed to exclusively go into business with Dave – that would never have worked. For years I worked for our LLCs for free, not receiving any type of compensation despite working 6 days a week. On the other hand, Dave had his medical practice as well as his other real estate investments and partnerships.

11. Mine and Dave's agreement, which is evidenced by our course of dealing over 13 years, was that Dave would provide the majority of the capital and I would essentially do all of the work – provide the "sweat equity". Throughout the course of our business relationship, I researched and identified nearly all of the potential property purchases, attended all of the tax sales and closings, managed the renovations and repairs to the acquired properties (including the extensive repairs necessitated by Hurricane Matthew in 2016), handled the day-to-day operations of the LLCs, and took over the management of the rental properties the LLCs have owned from time to time.

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12. The first LLC we formed was 30 Haul Away, LLC ("30HA"), which was organized on June 1, 2009. Dave and I each held 50% of the membership interests of the company. 30HA was created, at least initially, for the purpose of acquiring and selling the property located at 30 Haul Away Drive on Hilton Head Island. The property was purchased by Dave in May 2009, for $509,000.00, and he deeded it to 30HA for a stated consideration of $10 in early June 2009. The property was rented on VRBO until we sold it for $712,000.00 in November 2010.

13. We formed 6 Shelley Court, LLC ("6SC"), on December 11, 2009, for the purpose of acquiring the property located at 6 Shelley Court on Hilton Head Island. Again, Dave purchased the property and then deeded it to 6SC. I managed the repairs and the furnishing of the house. The house was rented on VRBO and then sold. A second property was purchased by Dave and put into 6SC – 31 Ocean Club on South Forest Beach. It was a total gut job. I spent over 6 months rebuilding and managing the reconstruction of the property and when I finally got it ready for the short-term rental market, Dave allowed his son to rent it for less than fair market value. His son rented it for 1.5 years, after which Dave moved into it for a short time. After Dave moved out, it was sold. It was never rented at fair market value.

14. The third LLC we formed was Island Funding, LLC ("IF"), which was organized on November 16, 2012. Dave and I each held 50% of the membership interests of the company and each are entitled to 50% of the profits. That company was formed to buy distressed real estate.

15. Purportedly, in 2016, Dave assigned his interests in the LLCs to Nautique Holdings, LLC, a Nevis company he formed, according to his son, Matthew, for "estate planning purposes". See 5/13/21 email attached as **Exhibit 2**. In May 2021, Matthew said that Dave needed to assign the interests held by Nautique Holdings, LLC, to BBH for "new estate planning purposes".

16. On September 6, 2017, I received the email attached as **Exhibit 3** from Amy Wood, the accountant at Mims, McDuff & Wood, PA, that has historically prepared tax returns for the LLCs. In that email, which was sent while Amy was preparing the LLCs' 2016 returns, Amy writes:

> In working on all of these, could you please confirm that Dave Brosman wants his money that he input to be reclassed as a loan from him now instead of being shown as capital contributed. He had called at one time and asked about changing that but we never confirmed. It had something to do with a personal issue that he was having.

17. I have no idea what "personal issue" he was having. The following year, and every year since, the returns were corrected to reflect that Dave's contributions to the LLCs were just that – contributions. Not debt. That's how they have been shown in every return filed since.

18. On May 13, 2021, Matthew presented two resolutions that he had drafted, one for 30HA[1] (**Exhibit 4**) and one for IF (**Exhibit 5**). We had been in discussions as to the winding up of our business ventures. I understood that the purpose of these resolutions was to set out how mine and Dave's capital accounts would be balanced through the sale of LLC property and the distribution of LLC assets to Dave. Those resolutions were signed on or about May 14, 2021, and

[1] I don't believe I ever received fully executed copies of all of the resolutions, despite requesting the same. However, I did execute them, and we did take the actions called for in the resolutions.

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a second IF resolution, also prepared by Matthew, was signed on or about August 12, 2021 (**Exhibit 6**).

19. I was thrilled that Dave finally was willing to sell the LLCs' properties, balance the capital accounts, split the profits, and go our separate ways. For years I had been asking Dave to agree to sell some of the LLCs' properties in order to realize some of the profits resulting from my labor and skill. Dave had persistently refused to sell property, or, in most cases, to take any distributions of realized profits. Instead, he offered to allow me to make a monthly withdraw from my capital account until he was ready to sell the properties. On more than one occasion, Dave told me that he could not take distributions because he didn't want to show a profit/collect funds while he was going through various divorces and paternity actions. At times, there was over $1mm in cash just sitting in the accounts.

20. Pursuant to the resolutions, we began selling off property and distributing the proceeds and other LLCs assets solely to Dave in order to balance the capital accounts. The following distributions were made to Dave pursuant to the resolutions:

From Island Funding, LLC:

5/14/2021	Assignment of MB Note:	$680,000.00
5/14/2021	Assignment of DB Note:	$528,250.43
7/23/2021	Proceeds of #A2 Admirals:	$258,908.00

From 30 Haul Away, LLC:

5/14/2021	Counter check/wire	$875,000.00
8/27/2021	2120 Cotton Hope proceeds	$126,511.00

Total: $2,468,669.43

21. The two "notes" distributed from IF to Dave were personal loans that he had insisted on taking from IF, one for he and his wife to buy a piece of investment property in Georgia, and the other for his son (and IF's attorney), Matthew, to purchase his home.

22. As a result of these transactions, the difference in the values of our capital accounts (as reported to the IRS) in 30HA was reduced from $1,657,896.00 to $656,385.00 and in IF from $2,188,496.00 to $820,680.00. The 2021 K-1s are attached as **Exhibit 7**.

23. In late September 2021, I began to grow suspicious. I believe it was around this time that Dave may have come up with his scheme to attempt to deprive me of my 50% interest in the profits of the LLCs by falsely claiming that the capital he contributed was actually debt and that he was entitled to be paid interest on that debt.

24. On September 27, 2021, I emailed Matthew with a proposal that I believed, based on my review of the 2020 tax returns, would fully equalize the capital accounts. A week later, Matthew responded: "My dad said he wants to talk to his CPA about [it] and will get back to you shortly". (Email attached as **Exhibit 8**).

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25. Little did I know that at this point it time, it is likely that the Complaint in the first lawsuit, alleging that the money that had consistently been referred to, categorized as, and treated as capital, was actually debt for which millions of dollars in interest was owed, was already being drafted.

26. We also at this time had a contract for the sale of a piece of property owned by 30HA ("2225 Cotton Hope"). Matthew, Dave's son, was our closing attorney and title agent. Days before the closing, all of a sudden Matthew said that the deal couldn't close because there was a problem with the title. The contract was terminated on October 6, 2021. I believe that the Brosmans tanked this deal on purpose because they were already preparing to bring the lawsuit that was filed on October 26, 2021.

27. The Complaint[2] in that lawsuit, filed in October 2021, alleges that Dave/BBH is owed a total of approximately $3,000,000 in what the Complaint is calling "unpaid advances" from 30HA and IF ($1,550,000 and $1,508,361.37, respectively). However, that money is the same money that Dave, on behalf of BBH, agreed was capital contributions in the Resolutions. Tellingly, the Complaint in that first lawsuit fails to take into account the $2,468,669.43 that was distributed to BBH months earlier pursuant to the Resolutions and conveniently omits any reference to those Resolutions. Likewise, the Complaint in the first lawsuit (p. 9), alleges that Dave/BBH is owed approximately $223,000 in "unpaid advances" from 6SC. However, once again a very pertinent fact is left out – Dave directed that his capital account balance in 6SC, which included the money he now claims was a loan, be added to his capital account in IF. See Dave's 2018 K-1-s for 6SC and IF, collectively attached as **Exhibit 9** (showing a distribution from 6SC of $313,870 and a capital contribution in IF of $313,870).

28. I was never asked and would never have agreed to the LLCs taking interest-bearing "loans" from Dave. Our agreement was that he would provide capital, I would do the actual work, and we would split the profits. This is how we operated for years. It was my knowledge, experience, skill, and labor that made these companies successful. I could have done it on my own with loans from banks at lower interest rates. Moreover, had I ever believed those funds to be "loans", I would have insisted that they be repaid immediately as opposed to allowing them to simply sit in the LLCs' accounts. I believe that discovery will uncover the reasons that Dave left those funds sitting, unused, in the LLCs' accounts for years. There were also reasons he refused to accept distributions, telling me that he couldn't take them, but agreeing that I could given that I was working as hard as I ever had without any form of compensation.

DISTRIBUTIONS TO JOHNSON

29. Dave/BBH have alleged both in the first lawsuit and in this lawsuit that I misappropriated, or stole, money from the LLCs. This is not true. For years, the LLCs were profitable. I had to pay taxes on that profit, even though in many years, the LLCs did not distribute those profits or funds to pay the taxes on those profits. Time and again, when I asked – pleaded – with Dave to distribute from the LLCs, he would refuse, giving one excuse or the other as to why he couldn't accept a distribution or didn't want to show that he had made money.

30. Every single penny that the Complaint(s) allege I "misappropriated" was recorded as distributions and my capital accounts in the LLCs reflected this. Dave agreed to these

[2] That Complaint is attached as Exhibit B to my Memo in Opposition to TRO. See pp. 6 & 9.

distributions and in fact, as to the $12,500 monthly distributions I took from mid-2017 to March 2021[3], Dave instructed me to take those.

31. For Dave to claim that these distributions are a recently uncovered surprise to him is disingenuous. Dave closely monitored the LLCs finances and had access to all financial records and accounts. Moreover, the tax returns clearly showed the distributions. I wasn't hiding anything, I had nothing to hide. That was money that I had earned and was entitled to.

JOHNSON'S OTHER BUSINESS DEALINGS

32. The lawsuits allege that I unfairly competed with the LLCs and misappropriated corporate opportunities. It appears that Dave/BBH believe that ***any*** real estate investment activities constitute unfair competition.

33. There is absolutely no way that Dave did not know that I was investing in real estate on my own outside of the LLCs. I can say this with certainty because, as neighbors, we had routinely discussed our respective and independent real estate deals with one another since 2009.

34. I also have personal knowledge of Dave engaging in numerous real estate deals on his own or with others during the course of our business relationship. In fact, at least once I was instructed by Matthew, on behalf of Dave, to purchase certain properties for Dave at a tax sale. See 10/1/20 Email, attached as **Exhibit 10**.

35. In 2009, 30HA acquired the condo at 31 Ocean Club. As noted above, the unit had to be completely gutted. It ended up in litigation. In fact, during that litigation I gave a deposition on February 21, 2013, in which I discussed Shoreline Funding, LLC, the entity which Dave now claims he was surprised to learn about. Anyhow, after that debacle, Dave and I agreed that our LLCs would no longer invest in properties that needed extensive renovations or that didn't have enough margin to inventory or make it worth our (really, my) time.

36. In its Complaint in the first lawsuit, BBH alleges that the following chart contains transactions that were unfairly competitive with LLCs. I will address each in turn to explain why that is not true. Moreover, BBH's figures don't take into account the improvement/carrying costs expended and the fact that Shoreline Funding, LLC, did not receive 100% of the sales price (it uses the sales price as opposed to net sale proceeds, the amount actually received by the entities below). I have set forth the true costs/proceeds to the best of my knowledge, based on my records, below.

[3] I did not consistently take a monthly distribution in 2018.

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Property	TMP #	Purchase Price	Sale Price	Profit	Purchase Date	Sale Date
Shoreline Funding, LLC						
Lot 804 Basket walk	R600 028 000 1698 0000	$ 114,751.00	$ 142,000.00	$ 27,249.00	12/4/2012	1/28/2013
.570 AC HHI	R511 003 000 0147 0000	$ 105,000.00	$ 208,000.00	$ 103,000.00	3/7/2013	1/10/2014
Lot 217 Hampton Lake	R614 037 000 0504 0000	$ 32,726.00	$ 47,500.00	$ 14,774.00	6/14/2013	8/6/2013
Lot 41 Sandcastle*	R511 009 000 1147 0000	$ 28,001.00	$ 150,000.00	$ 121,999.00	7/11/2013	TBD
APT 46 Forest Gardens	R553 018 000 015B 0046	$ 76,000.00	$ 105,000.00	$ 29,000.00	1/2/2014	7/7/2014
APT 3324 SPA at PR	R510 005 000 008B 3324	$ 36,000.00	$ 68,000.00	$ 32,000.00	2/5/2014	9/23/2016
Unit 307 Bldg A-3 P-Bay	R550 010 000 0066 307C	$ 104,475.00	$ 176,000.00	$ 71,525.00	5/21/2014	8/14/2015
				$ 399,547.00		
Johnson Halpern Partnership						
UNT 6A Westwind HPR HHI	R501 006 00B 0019 006A	$ 361,000.00	$ 497,000.00	$ 136,000.00	12/4/2012	2/14/2013
LT 137 Duke of Beaufort Village	R600 020 000 0141 0000	$ 119,000.00	$ 169,900.00	$ 50,900.00	7/11/2013	11/15/2013
LT 135 Cottonwood Lane Dolphin Heac	R510 002 00A 0547 0000	$ 263,000.00	$ 287,000.00	$ 24,000.00	3/17/2014	10/20/2014
				$ 210,900.00		
Gary C. Johnson						
LT 241 Moss Creek PL HHI	R600 040 00A 0180 0000	$ 107,100.00	$ 240,000.00	$ 132,900.00	4/15/2013	12/5/2013
			Total Profit	$ 743,347.00		

See First Lawsuit Complaint, p. 5.

37. **Shoreline Funding, LLC:** I formed this company in 2012 for the purpose of making investments for my mother with her funds. When my father passed away in 2007, my mother sold her house in Rock Hill and moved to be closer to me. The proceeds from the sale of her house were used to fund Shoreline Funding, LLC.

a. Lot 804 Basket Walk: this house was a few doors down from the house my mother was renting, and she decided she would like to buy it and make it her residence. However, once she realized how much work it would need, she changed her mind. The property had been vacant for several years with the utilities off. It was not an appropriate investment for the Brosman-Johnson LLCs because of the extensive renovations required and the narrow profit margin. The net sale proceeds were $133,060.35, costs (carrying/improvement) were $7,116.15, making the "profit" (before taxes) $11,193.20 (as opposed to the $27,249.00 claimed by BBH).

b. .570 ACC HHI (aka 20 Cobia Court): this property was another that required so much work that it was not a fit for the Brosman-Johnson LLCs. It was trashed and had extensive fire damage. It took almost a year to rehabilitate it. The net sale proceeds were $190,646.80, costs (carrying/improvement) were $39,796.17, making the "profit" (before taxes) $50,190.90 (as opposed to the $103,000.00 claimed by BBH).

c. Lot 217 Hampton Lake (aka 295 Hampton Lake): this property was purchased at full retail value. The Brosman-Johnson LLCs were not in the business of paying full retail value. The net sale proceeds were $41,452.99, costs (carrying/improvement) were $139.47, making the "profit" (before taxes) $8,587.52 (as opposed to the $14,774.00 claimed by BBH).

d. Lot 41 Sandcastle (aka 109 Sandcastle): this property was purchased on 7/11/13 to be a long-term investment to help my mother, who is now 89 years old, offset future

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living expenses. There were multiple lots in this development on the market at the time this lot was purchased, and there really was not a resale market, which made it unattractive for the Brosman-Johnson LLCs. In fact, 30HA had previously purchased a lot in the development, 30 Sandcastle, for $18,000 on 8/3/12 and sold it for $34,500 on 12/7/12. This lot is still owned by Shoreline Funding, LLC, because, again, it was intended to be a long-term investment (something that the Brosman-Johnson LLCs were not intended to do).

e. Apt 46 Forest Gardens: this property was another that required too much work and had too small of a profit margin to be a fit for the Brosman-Johnson LLCs. The net sale proceeds were $95,408.85, costs (carrying/improvement) were $6,509.35, making the "profit" (before taxes) $12,899.50 (as opposed to the $29,000.00 claimed by BBH).

f. Apt 3324 SPA at PR: this property was another foreclosure and the type of high cost/high effort deal that Dave and I had agreed we weren't going to do in our LLCs. It had termites, leaks, and polybutylene pipes, just to name a few of its ailments. The net sale proceeds were $62,863.10, costs (carrying/improvement) were $27,820.87, resulting in a loss of $953.77 (as opposed to the $32,000.00 claimed by BBH).

g. Unit 307 Bldg A-3 P-Bay: this property was purchased through an online auction, which was not a method that had ever been used by the Brosman-Johnson LLCs. It required extensive repairs and renovations. The net sale proceeds were $163,406.03, costs (carrying/improvement) were $24,927.80, making the "profit" (before taxes) $34,003.23 (as opposed to the $71,525.00 claimed by BBH).

h. **Gary C. Johnson:** this property in Moss Creek was bought by Johnson individually and required extensive repairs. The net sale proceeds were $222,158.88, costs (carrying/improvement) were $62,527.16, making the "profit" (before taxes) $51,831.72 (as opposed to the $132,900.00 claimed by BBH).

38. **Johnson-Halpern Partnership:** This is a partnership I formed with Steve Halpern in 1992. It was dissolved in 2016. Dave was well-aware of this partnership and its activities both because I frequently discussed it with him and because we had done some real estate transactions with Dave through the partnership. The three properties listed by BBH in its chart were all birddogged (identified, researched and vetted) by Halpern who brought the investment opportunities to our partnership. Moreover, the "profit" figure given by BBH of $210,900 is inaccurate because, again, it is using gross sales proceeds instead of net proceeds and it fails to account for carrying/improvements costs.

DAVE BROSMAN MISAPPROPRIATION OF LLC ASSETS

39. Dave has consistently used the LLCs' bank accounts as his personal piggy bank and has misappropriated company assets, or allowed the misappropriation of company assets by his family, without paying the fair value.

40. For example, in 2016, he directed me to pay for pile installation at the dock at his personal residence. That cost $2,200.00 and was paid out of IF. The invoice and the email from

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Dave directing me to pay it is attached as **Exhibit 11**. This amount was not recorded or categorized as a distribution to Dave.

41. In 2017, Dave demanded that IF pay for a dock to be built at another one of his personal properties, 58 Brams Point Road. That construction took place from late 2017 to mid-2018 and ended up costing IF a total of $16,770.74. This amount was not recorded or categorized as a distribution to Dave.

42. Dave also demanded that 30HA pay for repairs to the kitchen floor at his personal residence. That cost $1,325.00 and was not counted as a distribution to Dave.

43. Dave demanded on more than one occasion that his sons, Adam and Matthew, be permitted to stay in rental properties owned by the LLCs for free or at a rate that was significantly less than what the properties would have rented for on the open market.

44. In March 2020, Dave caused IF to loan Matthew $680,000.00. In June 2020, a mysterious deposit of $750,000.00 was made into IF's bank account. The Brosmans later claimed that this was a "loan" to IF by "MPS Solutions, Inc.", even though IF was not in need of funds, and I had not agreed to the loan as required by the Operating Agreement. It's my understanding that MPS Solutions, Inc. is owned and/or controlled by Dave (given that he directed that the repayment of the "loan" from MPS be categorized as a distribution to him/Blue Bell Holdings). Then, in July 2020, Dave caused IF to loan he and his wife $528,250.43 which was used to purchase an investment property in Georgia. Documents evidencing these loans are exhibits to the first IF Resolution (which is attached hereto as **Exhibit 5**)

2011 FORD F150 TRUCK

45. From the time we formed the first LLC in 2009, I had used my own vehicle, a Chevy truck, to conduct the business of the LLCs, including trashing out the homes, going on runs to the dump, picking up materials, allowing workers to use it, etc. As a result, the vehicle was all but destroyed. When it started to have transmission issues in early 2014, I told Dave that we needed another truck. Dave agreed that IF should buy it because it would be used by me for LLC-related business.

46. I found a used 2011 Ford F150, and drove it to Dave's house at 40 Widewater to get his approval for the purchase. The truck was, at least initially, titled in my name (see **Exhibit 12**). This was known by Dave and was due to insurance issues. Specifically, the LLCs did not carry a commercial auto policy. I got the truck insured in my name, and at all times have paid for the insurance and some other expenses myself, although Island Funding, LLC, has paid for most (but not all) of the fuel and maintenance. This was all specifically discussed with, and agreed to, by Dave, who occasionally used the truck himself. Additionally, the truck has been listed and depreciated on Island Funding, LLC's tax returns from 2014 to present time.

47. I had my own cars that were significantly nicer than the 2011 Ford Truck, including a Land Rover, a Mercedes SUV, and a Spider. I would have liked to drive my cars more often, but I always had building supplies or equipment to pick up for the LLCs. I was frequently the last customer in Home Depot or Lowe's at closing time.

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48. Any allegation that I used the truck for my own personal purposes, or for anything other than LLC-related business, is simply untrue. The truck has been sitting at the Hilton Head airport for over a year now, waiting for these lawsuits Dave has filed to be resolved. I have continued to insure it.

EVERGLADES BOAT

49. In 2012 I purchased an Everglades boat. Dave wanted to have access to the boat and suggested that IF buy it from me. On or about August 12, 2013, I accepted $ 27,500.00 from IF for the boat.

50. I was unable to immediately transfer title of the boat to IF because of an issue with a prior owner's lien (two owners before me) in Maryland still showing up. I cannot explain why DNR allowed me to take title in my name but then rejected the transfer of title to IF, but that's what happened. During this time period, I continued to maintain insurance on the boat given that it was still titled in my name.

51. Title was transferred to IF in October 2014, where it has remained since. A copy of the title is attached as **Exhibit 13.**

52. In 2014, while it was still titled in my name, the boat sank after Matthew used it. I was out of town at the time. I received the insurance check for the boat on or about August 29, 2014, in the amount of $25,767.51. It was in my name, because the policy was in my name, so I deposited it into my personal account. I had already paid over $1,000.00 on repairs out of my own account at the time I received the insurance check.

53. I started searching for a motor in 2015 and learned there was a shortage. Hurricane Matthew in 2016 further hindered my search, both because of the shortage and the tremendous amount of repair work to the LLCs' properties that fell on my shoulders. Admittedly, there were a few years that I dropped the ball in my search for a motor. I finally was able to find a replacement motor in late 2021.

54. I used all of the insurance proceeds and more (out of my personal funds) to repair and restore the boat. Attached as **Exhibit 14** is a report showing the expenditures (from my personal Quickbooks) as well as copies of the receipts.

55. Admittedly, with all of the work I was doing for the LLCs, the repair and restoration of the boat was not a priority and took a backseat for a while. However, to accuse me of misappropriating any of the insurance proceeds, which I realize I was essentially holding in trust for IF, is absurd.

ALLEGEDLY FRAUDULENT TRANSACTIONS

56. In March 2021, I decided to put my house in Spanish Wells, where I had lived for 35 years, on the market. I anticipated having substantial capital gains and was looking for some advice both about taxes and estate planning. I remembered that in 2016, Matthew had me sign something that transferred his dad's interests in the LLCs to Nautique Holdings, LLC, a Nevis

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company. He told me it was for estate-planning purposes (see 5/13/21 email attached as **Exhibit 2**). Up until these lawsuits were filed, I trusted Matthew and understood him to be the LLCs' attorney, so I thought it was worth looking into.

57. Additionally, given the downturn in the economy and the corresponding effects that has on the real estate market, I wanted to be able to raise cash out of the equity in my properties for my own projects/investments and to start a short-term loan business. Specifically, I was planning to make short-term loans to investors who might need financing at foreclosure and tax sales as a bridge between the flip or time to get their permanent financing. They would be bridge loans in the form of a line of credit secured by the equity in my real estate.

58. My belief was, and is, that having a Nevis LLC holding the security (and issuing the line of credit) would protect my interests as well as my future clients' interests.

59. In researching the formation of Nevis companies, I found a firm/company called Lawyers Limited. I retained Lawyers Limited to assist me in creating Orange Capital, LLC, a Nevis company. They also prepared the "Mortgages" that I recorded that were the lines of credits. I have not made any effort hide my affiliation with Orange Capital.

60. My intention in doing all of this was not to defraud anyone or anything, my intention was to preserve my ability to raise capital should I desire to do so in view of increasing interest rates and a deflating real estate market. In other words, I wanted to be able to raise funds and understood that this was a way of accomplishing that.

61. Additionally, I was concerned about my ability to get a loan/mortgage on any of my properties from traditional financing sources due to the fact that this lawsuit is pending.

62. No equity has been taken out of any of my properties – the balance on each line of credit is $0.

63. I do not feel as if my personal assets are at stake in the lawsuits Dave has filed against me. The value of my interests in the LLCs, which I estimate to be worth $2,500,000-$3,000,000, far exceeds any judgment Dave could possibly be awarded against me.

64. Additionally, I have sufficient other assets to satisfy any judgment that could be rendered against me. Exclusive of my interests in the LLCs at issue in this lawsuit, I estimate that my net worth is somewhere around $ 3,000,000.00.

FURTHER AFFIANT SAYETH NOT.

Gary C. Johnson

SWORN to before me this
9 day of Febary, 2023

Notary Public for South Carolina
My commission expires: 9-23-23

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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

DEED TO REAL ESTATE

QUIT-CLAIM

KNOW ALL MEN BY THESE PRESENTS, THAT I, David A. Brosman, in the state aforesaid for and in consideration of the sum of ONE DOLLAR AND NO CENTS (1.00), to me in hand paid at and before the sealing of these presents by Johnson/Halpern Partnership, P.O. Box 22534 , Hilton Head, South Carolina, 29925 in the state aforesaid, the reciept of which is hereby acknowledged, have remised, released and forever quit-claimed, and by these presents do remised, release and forever quit-claim unto the said Johnson/Halpren Partnership, the following described real property, to wit:

> An undivided One and Ninety-nine Hundredths (1.99%) percent interest in all that certain Apartment lying and being on Hilton Head Island, Beaufort County, South Carolina, and being known as Apartment 144 of The Village at Palmetto Dunes Horizontal Property Regime and being more particularly shown and described by referenced to the Master Deed of MacDonald Corporation-General Contractors, establishing said Horizontal Property Regime, said Master Deed being dated the 21st day of January, 1981, and recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 314 at Page 1115, and to the First Amendment to Master Deed dated June 2, 1981, recorded in said Clerk's Office in Deed Book 324 at Page 1847, re-recorded in Deed Book 326 at Page 1255.

THIS BEING the same property conveyed to Grantor herein by Deed from Thomas Kemmerlin, Jr., Master in Equity, Dated August 23, 1994.

ALSO, all right, title, interest and privileges extending to Owner Use Period 13 as contained in that certain Supplemental Declaration of Multiple Ownership Rights, Restrictions, Affirmative Obligations, Etc., of Village Shares Development, Inc., for Apartment 144 The Village at Palmetto Dunes Horizontal Property Regime, Hilton Head Island, Beaufort County, South Carolina, dated 7/23/81 and being recorded in the Office of the Clerk of Court for Beaufort County, South Carolina, in Deed Book 320 at Page 1186.

THIS deed was prepared by Johnson/Halpern Partnership, P.O. Box 22534, Hilton Head, S.C. 29925

TOGETHER with all and singular, the Rights, Members, Hereditaments and Appurtenances to the said premises belonging, or in anyway incident or appertaining.

TO HAVE AND TO HOLD, all and singular, the said premises before mentioned unto the said, Johnson/Halpern Partnership,its sucessors and assigns, forever, so that neither I, the said David A. Brosman, nor my heirs, nor any other person or persons, claiming under us or them, shall at any time hereafter, by any way or means, have, claim or demand any right or title to the aforesaid premises or appurtenances, or any part or parcel thereof, forever.

TMS:520 012 000 0360 0144

BEAUFORT COUNTY TAX MAP REFERENCE

	Map	Submap	Parcel	Block
520	12		360	144

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WITNESS my Hand and Seal this 8th day of August in the year of our Lord one thousand nine hundred and ninety-six.

WITNESSES:

Witness:

David A. Brosman

Witness:

Address of Grantee:

Johnson/Halpern Partnership
P.O. Box 22534
Hilton Head, South Carolina 29925

STATE OF SOUTH CAROLINA)
) **PROBATE**
COUNTY OF BEAUFORT)

PERSONALLY appeared before me Gary C. Johnson, and made oath that s/he saw the within named David A. Brosman, Grantor, sign, seal, and as his/her act and deed, deliver the within written agreement for the uses and purposes therein mentioned and that s/he, with Terry L. Johnson, witnessed the execution thereof.

(Witness)

SWORN to before me this
8 th day of August, 1996

Notary Public for South Carolina
My Commission Expires: May 19, 2005

2596 FILED Mr. & Mrs. Johnson

JOHN A. SULLIVAN, JR.
R.M.C.
BEAUFORT COUNTY, S.C.

96 AUG 15 PM 1:13

BK 881 PG 1000

FOLDER #

1002

RECORDED THIS 29th DAY
OF August 1996
IN BOOK AC PAGE 1020

Mary A. Sullivan
REGISTOR BEAUFORT CO. S.C.

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From: Matthew W. Brosman, Esq.
mbrosman@brosmanlegal.com
Subject: Island Funding and 30 Haul Away - Resolutions
Date: May 13, 2021 at 4:48:35 PM
To: Gary Johnson
boardwalkhiltonhead@gmail.com

See attached:

1) Resolution of Island Funding

2) Resolution of 30 Haul Away

NOTE- back in 2016 my dad and yourself executed an assignment so he could transfer his 50% interest to Nautique Holdings, LLC for estate planning purposes. He now needs to transfer his 50% interest to a new LLC for new estate planning purposes. The new LLC is called Blue Bell Holdings, LLC ("Blue Bell"). I have prepared those assignments to be executed today and that is why the Resolutions say "Blue Bell Holdings, LLC" as the other 50% member.

I can send you the assignments to look at but they are simple documents.

Please meet at my dad's office at 6:30 tonight.

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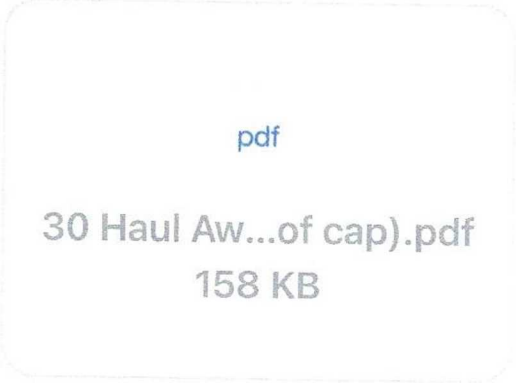
Thanks,



Matthew W. Brosman, J.D., LL.M.
Attorney at Law
Brosman Legal, LLC
P.O. Box 21129

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Hilton Head Island, SC 29925
e. mbrosman@brosmanlegal.com
p. 843-422-2121

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From: **Amy Wood** amyw@mimsmcduffwood.com
Subject: **6 shelley, 30 haul away, and island funding**
Date: **Sep 6, 2017 at 1:18:16 PM**
To: **Gary Johnson** gjohnson1@aol.com

In working on all of these, could you please confirm that David Brosman wants his money that he input to be reclassed as a loan from him now instead of being shown as capital contributed. He had called at one time and asked about changing that but we never confirmed.
It had something to do with a personal issue that he was having.
Thanks

Amy L. Wood, CPA
Mims, McDuff & Wood, PA
PO Box 806
Beaufort, SC 29901
843-524-7503
Fax 843-521-1022

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RESOLUTION
OF
30 HAUL AWAY, LLC
a South Carolina Limited Liability Company

THIS RESOLUTION, executed by the parties as set forth below and intended to be, effective as of the _____day of May, 2021, is entered into by the Members (as defined herein). Unless otherwise noted, any code section referenced in this Resolution refers to the South Carolina Limited Liability Company Act (the "Act"), §33-44-101, et. Seq. Code of Laws of South Carolina (1996 as amended).

WHEREAS, Gary C. Johnson ("Mr. Johnson") and Blue Bell Holdings, LLC ("Blue Bell"), collectively referred to as (the "Members") each hold fifty-percent (50%) of the membership interest in 30 Haul Away, LLC (the "Company"); and

WHEREAS, the Company is a member-managed Limited Liability Company ("LLC") as defined in § 33-44-101(12); and

WHEREAS, the Members of the Company entered into a certain operating agreement effective as of May 21, 2009; and

WHEREAS, Article 6.1 of the operating agreement provides that "(i) the powers of the company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the joint direction of all of the Members; and (ii) upon the agreement and consent of all of the Members, the Members may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement..."; and

WHEREAS, the Members desire to make transfer(s) of cash and/ or property, classified as a return of capital, to Blue Bell as outlined in Exhibit A attached hereto; and

WHEREAS, the Company is actively liquidating real estate and such transfers mentioned immediately above shall occur until Blue Bell's Capital Account, as such Capital Account has been established and maintained pursuant to Article 4.6 of the operating agreement, is equal to the capital account of the other fifty-percent (50%) member of the Company; and

WHEREAS, the Members acknowledge that the capital account of Blue Bell (or its predecessor in interest) was $1,631,511.00 at the close of tax year 2019. However, the Members further acknowledge and agree to supplement this Resolution to reflect Blue Bell's current capital account, as determined by the Company's CPA, as soon as reasonably practicable.

BE IT RESOLVED, that the Company shall make the transfers outlined in Exhibit A as soon as reasonably practicable; and

BE IT FURTHER RESOLVED, that completion of the transaction(s) contemplated herein and attached hereto will result in a return of capital to Blue Bell in the amount of $875,000.00; and

BE IT FURTHER RESOLVED, that after the transaction(s) contemplated herein and attached hereto are completed, Blue Bell's outstanding capital account, based on the 2019 tax return for the Company will be $756,511.00; and

BE IT FURTHER RESOLVED, that the Members agree to work with the Company CPA to update Blue Bell's current capital account in order to determine the exact amount of capital to be returned and will also supplement this Resolution as necessary.

[signature page to follow]

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The undersigned hereby certify that the above Resolution was adopted by the Members of 30 Haul Away, LLC as of the _____ day of May, 2021.

MEMBERS:

_____
Gary C. Johnson

Blue Bell Holdings, LLC

_____
Name: David A. Brosman, M.D.
Title: Manager

[remainder of this page intentionally left blank]

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Exhibit A

1) Transfer via wire or make a check payable from the account in the name of 30 Haul Away, LLC (acct # 1000051936408) at SunTrust Bank to Blue Bell Holdings, LLC or its legal representative.

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RESOLUTION
OF
ISLAND FUNDING, LLC
a South Carolina Limited Liability Company

THIS RESOLUTION, executed by the parties as set forth below and intended to be, effective as of the 14th day of May, 2021, is entered into by the Members (as defined herein). Unless otherwise noted, any code section referenced in this Resolution refers to the South Carolina Limited Liability Company Act (the "Act"), §33-44-101, et. Seq. Code of Laws of South Carolina (1996 as amended).

WHEREAS, Gary C. Johnson ("Mr. Johnson") and Blue Bell Holdings, LLC ("Blue Bell"), collectively referred to as (the "Members") each hold fifty-percent (50%) of the membership interest in Island Funding, LLC (the "Company"); and

WHEREAS, the Company is a member-managed Limited Liability Company ("LLC") as defined in § 33-44-101(12); and

WHEREAS, the Members of the Company entered into a certain operating agreement effective as of November 21, 2012; and

WHEREAS, Article 6.1 of the operating agreement provides that "(i) the powers of the company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the joint direction of all of the Members; and (ii) upon the agreement and consent of all of the Members, the Members may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement..."; and

WHEREAS, the Members desire to make transfers of cash and/ or property, classified as a return of capital, to Blue Bell (or its wholly owned subsidiary) as outlined in Exhibit A attached hereto; and

WHEREAS, the Company is actively liquidating real estate and such transfers mentioned immediately above shall occur until Blue Bell's Capital Account, as such Capital Account has been established and maintained pursuant to Article 4.6 of the operating agreement, is equal to the capital account of the other fifty-percent (50%) member of the Company; and

WHEREAS, MPS Solutions, Inc. ("MPS") loaned the Company $750,000.00 on June 26th, 2020 as evidenced by a SunTrust deposit slip (attached as Exhibit B) numbered 021 2850103 0003, of which $628,908.00 is outstanding, and the Members desire to repay such outstanding amount to MPS in cash as outlined in Exhibit A; and

WHEREAS, the Members acknowledge that the capital account of Blue Bell (or its predecessor in interest) was $1,830,931.00 at the close of tax year 2019. However, the

Members further acknowledge and agree to supplement this Resolution to reflect Blue Bell's capital account at the close of tax year 2020, as determined by the Company's CPA, as soon as reasonably practicable.

BE IT RESOLVED, that the Company shall make the transfers outlined in Exhibit A.

BE IT FURTHER RESOLVED, that the Company will specifically assign Blue Bell the Note and Mortgage attached hereto as Exhibit C.

BE IT FURTHER RESOLVED, that the Company will specifically assign Blue Bell the Note and Security Deed attached hereto as Exhibit D.

BE IT FURTHER RESOLVED, that completion of the transactions contemplated herein and attached hereto will result in complete satisfaction of the June 26th, 2020 loan from MPS to the Company and also result in a return of capital to Blue Bell in the amount of $1,208,250.43.

BE IT FURTHER RESOLVED, that after the transactions contemplated herein and attached hereto are Blue Bell's outstanding capital account, based on the 2019 tax return for the Company is $622,680.57

BE IT FURTHER RESOLVED, that the Members agree to work with the Company CPA to update Blue Bell's current capital account in order to determine the exact amount of capital to be returned and will also supplement this Resolution as necessary.

[signature page to follow]

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The undersigned hereby certify that the above Resolution was adopted by the Members of Island Funding, LLC as of the 14th day of May, 2021.

MEMBERS:

Gary C. Johnson

Blue Bell Holdings, LLC

Name: David A. Brosman, M.D.
Title: Manager

[remainder of this page intentionally left blank]

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Exhibit A

1) Repayment of $750,000.00 loan to MPS Solutions, Inc.:
    a. Outstanding balance $628,908.00
        i. $100,000.00 transferred from Island Funding, LLC to MPS Solutions, Inc. on October 15th, 2020
        ii. $21,092.00 advanced to Chloe, LLC on behalf of MPS Solutions, Inc. on October 5th, 2020
        iii. $500,000.00 is to be transferred from an account in the name of Island Funding, LLC at TD Ameritrade (acct # [redacted])
        iv. The remaining balance of $128,908.00 is to be transferred from Island Funding, LLC to MPS Solutions, Inc.
2) Assignment of Mortgage and Note held by Island Funding, LLC in the amount of $680,000.00 of which Matthew Brosman is the Borrower and Maker, respectively:
    a. Mortgage recorded in the Beaufort County, SC Register of Deeds Office in Book 3859 at Page 0441.
        i. Island Funding, LLC to execute a Mortgage Assignment to Blue Bell Holdings, LLC and such assignment shall be recorded with the Beaufort County Register of Deeds
        ii. Island Funding, LLC to endorse the corresponding note to Blue Bell Holdings, LLC
3) Assignment of Security Deed and Note held by Island Funding, LLC in the amount of $528,250.43 of which David Brosman and Dana Brosman are the Grantor and Borrower, respectively:
    a. Security Deed recorded in the Clerk of Court Office in Effingham County, GA in Book 2605 at Page 873.
        i. Island Funding, LLC to execute an assignment of the Security Deed to Blue Bell Holdings, LLC (or its wholly owned subsidiary yet to be formed) and such assignment shall be recorded with the Clerk of Court for the Superior Court in Effingham County, GA
        ii. Island Funding, LLC to endorse the corresponding note to Blue Bell Holdings, LLC (or its wholly owned subsidiary yet to be formed)

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Exhibit B

SUNTRUST

Thank you for banking with SunTrust

Access your account information using
Online and Mobile banking or by calling
us at 800.SunTrust (800.786.8787)

PD 06/26/2020 15:13 # 208
CD 06/26/2020 021 2850103 0003

Deposit

$750,000.00

Chk/Sav/MMA

XXXXXX0073

All deposits are subject to verification
and collection from the issuing bank.

Use alerts and Online or Mobile Banking to
check your Available Balance so that you
have the freedom to spend with confidence.

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Exhibit C

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PROMISSORY NOTE

U.S. $ 680,000.00

Beaufort County, South Carolina
Effective: March 17, 2020

FOR VALUE RECEIVED, Matthew W. Brosman ("Brosman"), an individual of Hilton Head Island, South Carolina, hereinafter the (**"Maker"**), with an address of 45 Harbour Passage E, Hilton Head Island, South Caroline, promise to pay on or before March 31, 2030 to the order of the **Island Funding, LLC**, a South Carolina Limited Liability Company, having an address c/o Gary Johnson, 60 Brams Point Road, Hilton Head Island, South Carolina 29926 (the **"Payee"**), or at such other place as may be designated in writing by the holder of this Note, the principal sum of $680,000.00, together with interest from the date hereof to the payment date at the rate of 4 % until default and at the rate of 10 % after default and until payment is made.

Until default or the due date, Maker shall pay interest monthly in arrears to Payee, the first such payment being due April 1, 2020.

All payments hereunder shall be made in such lawful money of the United States of America which, as of the time of payments, shall be legal tender for the payment of public and private debts.

The happening of any of the following events shall constitute a default hereunder:

1. Any time when there are two (2) monthly interest payments past due.

2. Failure of Maker to pay in full all amounts due on or before March 31, 2030.

3. If Brosman becomes bankrupt, insolvent or if any bankruptcy (voluntary or involuntary) or insolvency proceedings (as said terms "insolvent" and "insolvency proceedings" are defined in the Uniform Commercial Code of South Carolina) are instituted or made by or against Brosman or if application is made for the appointment for a receiver for Brosman or for any of the assets of Brosman, or an assignment is made for the benefit of any of Brosman's creditors.: or

4. Reserved.

[Remainder of this page intentionally left blank.]

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5. If there is a default in the terms of the mortgage securing this Promissory Note.

Upon the happening of any event of default as defined herein, the entire amount of this Note remaining unpaid, shall become due and payable forthwith or thereafter at the option of the Payee and without notice or demand. Upon such acceleration election by Payee in the event of default, the then unpaid principal balance hereof shall bear interest from the time of such default at the post-demand (10 %) rate.

This Note may be prepaid in whole or in part at any time without penalty, with all payments being first applied to accrued interest. It is agreed that the granting to the Maker of this Note, or any other party, of an extension or extensions of time for payment of any sum or sums due hereunder, or for the performance of any covenant or stipulation thereof, or the taking of other or additional security shall not in any way release or affect the liability of the Maker and the endorsers and guarantors, if any, of this Note.

If this Note is not paid according to the tenor hereof and strictly as above provided, it may be placed in the hands of an attorney at law for collection. In such event, each party liable for payment thereof, as obligor, maker, endorser, guarantor or otherwise, hereby agrees to pay the holder hereof, in addition to the sums above stated, a reasonable attorneys' fee, whether or not suit be initiated, which fee shall include attorneys' fees at the trial level and on appeal, together with all costs incurred.

Maker covenants and agrees to pay or, if Maker fails to pay, to reimburse, Payee upon receipt of written notice from Payee for all reasonable costs and expenses (including reasonable attorneys' fees and disbursements) incurred by Payee in connection with (i) the negotiation, preparation, execution, delivery and administration of any consents, amendments, waivers or other modifications to this Promissory Note and/or the Security therefore and any other documents or matters requested by Maker in connection with this Promissory Note; and
(ii) enforcing any obligations of or collecting any payments due from Borrower under this Promissory Note and/or the Guaranty.

Notwithstanding anything to the contrary, in no event, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid balance hereof, or otherwise, shall the amount taken, reserved or paid, charged or agreed to be paid, for the use, forbearance or detention of money advanced pursuant hereto or pursuant to any other document executed in connection herewith, exceed the maximum rate allowed by South Carolina law.

MAKER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE AND/OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF MAKER.

This Note is deemed made and delivered in Beaufort County, South Carolina. The Maker agrees that this Note shall be construed in accordance with and governed by the laws of said State. In the event any litigation or other formal legal or equitable proceeding (collectively,

"Litigation") between or among any of the parties hereto (or their affiliates, heirs, agents, successors, or assigns) is instituted in connection with the construction, interpretation, or enforcement of this Note, the party commencing such Litigation shall be required to institute the same in federal or state courts with jurisdiction in Beaufort County, South Carolina. Each party hereto hereby consents to the exclusive personal jurisdiction and venue in the federal and state courts with jurisdiction in Beaufort County, South Carolina, for a resolution of all disputes arising out of the construction, interpretation, or enforcement of any term or provision of this Note, and each party hereby waives the claim or defense that any such court in which any such Litigation is properly commenced as provided for herein constitutes an inconvenient forum.

This Note may not be changed or terminated orally.

Matthew W. Brosman

[Remainder of this page intentionally left blank.]

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Prepared by and return to:
Matthew W. Brosman, Esq.
Brosman Legal, LLC
PO Box 21129
Hilton Head Island, SC 29925

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

MORTGAGE

THIS MORTGAGE ("Mortgage") is made this 17th day of March, 2020 between **Matthew W. Brosman** whose address is 45 Harbour Passage E, Hilton Head Island, SC 29926 (the "Borrower") and **Island Funding, LLC** whose address is 60 Brams Point Road, Hilton Head Island, South Carolina 29926 (the "Lender").

WITNESSETH:

WHEREAS, this Security Instrument is given in connection with a loan in the principal sum of SIX HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS ($680,000.00) (the "Loan") made by Lender to Borrower and which indebtedness is evidenced by Borrower's note of even date herewith (the "Note"), providing for monthly installments of interest, with the balance of the indebtedness, if not sooner paid, due and payable on March 31, 2030.

TO SECURE to Lender the repayment of the Loan evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and assigns the following described property:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

TO HAVE AND TO HOLD unto Lender and Lender's heirs, successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) is herein referred to as the "Property."

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy or certificate of title insuring Lender's interest in the Property.

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SECTION 1. GENERAL COVENANTS: Borrower and Lender covenant and agree as follows:

1.1 Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the Loan evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any future advances secured by this Mortgage.

1.2 Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraph 1 above shall be applied by Lender first to interest payable on the Note, then to the principal of the Note.

1.3 Charges; Liens. Borrower shall pay prior to delinquency all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall promptly furnish to Lender all notices of amounts due under this Paragraph 3, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender upon request receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

1.4 Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards, including flood, as Lender may require and in such amount sand for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. All premiums on insurance policies shall be paid by Borrower, when due, directly to the insurance carrier. All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within thirty (30) days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage. Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraph 1 hereof or change the amount of such installments. If under Paragraph 10 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the

Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

1.5 Preservation and Maintenance of Property. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. Borrower (a) will not remove or demolish nor alter the design or structural character of any building now or hereafter erected upon the premises unless Lender shall first consent thereto in writing; and (b) will comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the premises, and will not suffer or permit any violation thereof.

1.6 Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable legal fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this Paragraph 1.6, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate of the prevailing average New York City prime rate until paid, payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 6 shall require Lender to incur any expense or take any action hereunder.

1.7 Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

1.8 Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage. Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraph 1.1 hereof or change the amount of such installments.

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1.9 Transfer of the Property; Assumption. If the Property is sold or transferred by Borrower or if possession is given to the Property by Borrower to a third party via a land contract, or agreement for deed or other similar instrument, without Lender's prior written consent, excluding: (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b he creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant; or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable.

1.10 Acceleration; Remedies. Upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable legal fees, and costs of documentary evidence, abstracts and title reports, all of which shall be additional sums secured by this Mortgage.

1.11 Reserved.

1.12 Release. Upon payment of all sums secured by this Mortgage, this Mortgage shall become null and void, and Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

1.13 Reserved.

SECTION 2. MISCELLANEOUS PROVISIONS.

2.1 Any extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to Borrower or any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

2.2 Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

2.3 All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and maybe exercised concurrently, independently or successively.

2.4 The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define

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the provisions hereof.

2.5 Except for any notice required under applicable Jaw to be given in another manner,(a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the address of Borrower as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

2.6. This Mortgage shall be governed by the law of South Carolina. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

2.7. Borrower shall be furnished a copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

2.8. This Mortgage was prepared in the office of Brosman Legal, LLC, P.O. Box 21129, Hilton Head Island, SC 29925.

IN WITNESS WHEREOF. Borrower has executed this Mortgage effective the date first above written.

Matthew W. Brosman

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

ACKNOWLEDGEMENT

I, the undersigned Notary, do hereby certify **Matthew W. Brosman** personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 17th day of March, 2020.

Notary Public for South Carolina
My Commission Expires: 4-23

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EXHIBIT 'A'

ALL THAT CERTAIN piece, parcel or lot of land situate, lying and being on Hilton Head Island, Beaufort County, South Carolina, being shown and described as Lot 45 on a plat entitled "A Plat of Harbour Passage East Owned by Windmill Harbour Company", dated January 23, 1985, as prepared by Gifford, Nielson and Williams, and certified by Matthew M. Crawford, SCRLS #9756, and recorded in the ROD Office for Beaufort County, South Carolina in Plat Book 33 at Page 16.

THIS BEING the same property conveyed to MCM Capital Partners, LLC, its trustee for Ventures Trust 2013-I-H-R from Marvin H. Dukes, Beaufort County Master in Equity, by a Master In Equity's Deed dated April 23, 2015, and recorded on October 23, 2015 in Book 3438, Page 451.

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Exhibit D

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REAL ESTATE PROMISSORY NOTE WITH BALLOON PAYMENT

FOR VALUE RECEIVED, **DAVID BROSMAN and DANA BROSMAN** (hereinafter referred to as "Borrower") promises to pay to the order of **ISLAND FUNDING, LLC** (hereinafter referred to as "Lender") the principal sum of FIVE HUNDRED TWENTY-EIGHT THOUSAND TWO HUNDRED FIFTY AND 43/100ths DOLLARS **($528,250.43)**, or so much thereof as has been advanced hereunder, together with interest thereon at the rate of 4% per annum, payments of **interest only** to be paid in monthly installments with first payment in the amount of $1,291.28 on August 1, 2020, and continuing each and every month thereafter on the first (1st) day of each month for fifty-nine (59) months in the amount of $1,760.83, with a final balloon payment of $530,011.26 being due on or before July 1, 2025.

All sums payable under this Note shall be paid in legal tender, for public and private purposes, of the United States of America at the time of such payment.

If any payment is not made within ten (10) days of when due, as herein provided, Borrower will pay Lender a "late charge" of Ten Percent (10%) of the delinquent payment which shall be for the purpose of reimbursing Lender for expenses incurred by reason of said late payment.

Borrower shall have the right to prepay the principal amount outstanding in whole or in part, without penalty, provided Lender may require that any partial prepayments shall be made on the date monthly installments are due and shall be in the amount of that part of one or more installments which would be applicable to principal. Any partial prepayment shall be applied against the principal amount outstanding and shall not extend or postpone the due date of any subsequent monthly installments or change the amount of such installments, unless Lender shall otherwise agree in writing.

Lender shall have the optional right to declare the amount of the total unpaid balance hereof to be due and forthwith payable in advance of the maturity date of any installment, as fixed herein, upon the failure of Borrower to pay, when due, any one of the installments hereon, or any other assessment, imposition, or item by reason of ownership or use of the security, or upon the occurrence of any event of default in the deed to secure debt and/or security agreement securing this Note. Further, a default under this Note shall be considered a default on all outstanding notes with Lender. Upon exercise of this option by Lender, the entire unpaid principal shall bear interest until paid at the above stated rate applicable to a delinquent payment. Forbearance to exercise this option with respect to any failure or breach of Borrower shall not constitute a waiver of the right as to that obligation or any subsequent failure or breach.

Time is of the essence of this contract. Lender may hire or pay someone else to help collect this Note if Borrower does not pay, and Borrower shall pay Lender that amount. This includes, subject to any limits under applicable law, Lender's costs of collection, including court costs and fifteen percent (15%) of the principal plus accrued interest as attorney's fees, if any sums owing under this Note are collected by or through an attorney at law, whether or not there is a lawsuit, and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also shall pay any court costs, in addition to all other sums provided by law.

Borrower and all endorsers or other parties to this Note who may possess the following rights, severally waive, each for himself and family, any and all homestead and exemption rights which any of them or the family of any of them have under or by virtue of the Constitution or laws of the Untied States of America or of any state as against this Note, any renewal thereof, or any indebtedness represented thereby. Furthermore, Borrower and all endorsers or other parties to this Note jointly and severally transfer, convey and assign to Lender a sufficient amount of such homestead or exemption as may be allowed, including such

homestead or exemption as may be set apart in bankruptcy, to pay this Note in full, with all costs of collection, and do hereby direct any trustee in bankruptcy having possession of such homestead or exemption to deliver to Lender a sufficient amount of property or money set apart as exempt to pay the indebtedness evidenced hereby, or any renewal thereof, and do hereby jointly and severally, appoint Lender the attorney in fact for each of them, to claim any and all homestead exemptions allowed by law.

Borrower hereby waives presentment, demand for payment, protest and notice of non-payment. This Note shall be construed and enforced according to the laws of the State of Georgia. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

Given under the hands and seals of the undersigned this 10th day of July, 2020.

BORROWER:

_____ (L.S.)
DAVID BROSMAN

_____ (L.S.)
DANA BROSMAN

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BK:2605 PG:873-884
D2020006776

8914712675
7067927936
PARTICIPANT ID

FILED IN OFFICE
CLERK OF COURT
07/13/2020 04:45 PM
ELIZABETH Z. HURSEY, CLERK
SUPERIOR COURT
EFFINGHAM COUNTY, GA

Elizabeth Z. Hursey

INTANGIBLE TAX
PAID: $1,585.50

RECORD AND RETURN TO
THE NEWBERRY LAW FIRM P C
POST OFFICE BOX 790
SPRINGFIELD, GA 31329

STATE OF GEORGIA
COUNTY OF EFFINGHAM

SECURITY DEED AND AGREEMENT

THIS INDENTURE is made this 10th day of July, 2020 by and between party of the first part, DAVID BROSMAN AND DANA BROSMAN, hereinafter referred to as "Grantor" and party of the second part, ISLAND FUNDING, LLC, hereinafter referred to as "Grantee":

WITNESSETH:

FOR AND IN CONSIDERATION of the financial accommodations to Grantor by Grantee resulting in the obligation which is hereinafter more particularly described, and in order to secure the obligation, Grantor hereby grants, bargains, conveys, assigns and sells unto Grantee the following described land:

SEE EXHIBIT "A" WHICH IS ATTACHED HERETO AND MADE A PART HEREOF

TOGETHER WITH ANY AND ALL of the following: (i) all building, structures and other improvements now or hereafter located thereon or on any part or parcel thereof and all fixtures affixed or attached, actually or constructively, thereto; (ii) all and singular the tenements, hereditaments, easements and appurtenances belonging thereunto or in any wise appertaining thereto and the reversion and reversions, remainder or remainders thereof; (iii) all rents, issues, income, revenues and profits accruing therefrom, whether now or hereafter due; (iv) all accounts and contract rights now or hereafter arising in connection with any part or parcel thereof or any buildings, structures or improvements now or hereafter located thereon, including without limitation all accounts and contract rights in and to all leases or undertakings to lease now or hereafter affecting the land or any building structures or improvements thereon, and used in connection with the operation and maintenance thereof, and additions thereto and replacements thereof, and (viii) all building material, supplies, goods and equipment delivered thereto and placed thereon for the purpose of being affixed to or installed or incorporated or otherwise used in the buildings, structures or other improvements now or hereafter located thereon or any part or parcel thereof. All of the foregoing are hereinafter sometimes referred to collectively as the "Premises."

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TO HAVE AND HOLD the Premises to the only proper use, benefit and behoof of Grantee, forever, in fee simple.

GRANTOR WARRANTS that Grantor has good title to the Premises, that Grantor is lawfully seized and possessed of the Premises, that Grantor has the right to convey the Premises, that the Premises are unencumbered, and that Grantor shall forever warrant and defend the title to the Premises unto Grantee against the claim of all persons whomsoever.

THIS INSTRUMENT IS A DEED passing legal title pursuant to the laws of the State of Georgia governing deeds to secure debt and a security agreement granting a security interest pursuant to the Uniform Commercial Code of the State of Georgia, and it is not a mortgage. This deed and security agreement is made and intended to secure (i) an obligation of Grantor to Grantee evidenced as follows:

A promissory note in the principal amount of $528,250.43 due and payable on or before July 1, 2025.

(ii) any and all renewal or renewals, extension or extensions, modification or modifications thereof, and substitution or substitutions, therefor, either in whole or in part; and (iii) all indebtedness now or hereafter owing by Grantor to Grantee, however or whenever created, incurred, arising or evidenced, whether direct or indirect, joint or several, absolute or contingent, or due or to become due, and any and all renewal or renewals, extensions or extensions of modification or modifications of and substitutions for, said indebtedness, either in whole or in part. The obligations which this deed and security agreement is given to secure are hereinafter sometimes referred to collectively as the "Indebtedness." This security deed and agreement is hereinafter sometimes referred to as this "Security Deed."

GRANTOR COVENANTS AND AGREES: (1) **Junior Encumbrances: Grantor shall not create or permit to exist any liens or encumbrances on the Premise which are junior and inferior in terms of priority to this Security Deed.** (2) *Payments by Grantor:* Grantor shall pay, when due and payable: (i) the Indebtedness in accordance with the terms and conditions of the instruments evidencing the same; (ii) all taxes, all assessments, general or special, and all other charges levied on or assessed or placed or made against the Premises, this Security Deed, the Indebtedness or any interest of Grantee in the Premises, this Security Deed or other Indebtedness; (iii) premiums on policies of fire and casualty insurance covering the Premises as required by this Security Deed; (iv) premiums on all life insurance policies now or hereafter pledged as collateral for the Indebtedness or any part thereof; (v) premiums for all liability, rental, mortgage and flood insurance policies required by this Security Deed now or hereafter required by Grantee in connections with the Premises or the Indebtedness or any part of either; and (vi) all ground rents, lease rentals and other payments respecting the Premises payable by Grantor. Grantor shall promptly deliver to Grantee, upon request by Grantee, receipts showing payments in full of all the foregoing items; provided, however, that Grantee shall not require a receipt showing payment in full of the Indebtedness. In the event any state, federal, municipal or other governmental law, order, rule or regulation becomes effective subsequent to the date hereof and in any manner changes or modifies the laws in force on the date hereof, then, in such event, Grantor agrees to comply fully and timely with any such law, order, rule or regulation so as to protect Grantee's interest under this Security Deed or the Indebtedness. Grantor shall promptly pay any amounts required on or before the date the same are due and take any other action required on or before the date any such action must be taken. (3) *Grantee's Acts on Behalf of Grantor;* In the event Grantor shall either fail or refuse to pay or cause to be paid, as the same shall become due and payable, any item (including all items specified at Paragraph (2) immediately above) which Grantor is required to pay hereunder or which Grantor may pay to cure an event of default hereunder, then Grantee, at Grantee's options, may make such payment

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or do or perform such act on behalf of Grantor. All such payments made by the Grantee and all costs and expenses incurred by Grantee in doing or performing all such acts shall be and shall become part of the indebtedness secured hereby and shall bear interest at the highest rate per annum then being charged with respect to any part of the indebtedness secured hereby from date paid or incurred by Grantee, and such interest thereof shall also be part of the Indebtedness secured hereby. (4) *Further Assurances:* Grantor shall, at any time and from time to time upon request by Grantee, make, execute and deliver or cause to be made, executed and delivered, any and all other further instruments, documents, certificates, agreements, letters, representations and other writings which may be necessary or desirable, in the opinion of Grantee in order to effectuate, complete, correct, prefect or continue and preserve the obligations of Grantor under the Indebtedness and the lien and security interest of Grantee hereunder. Grantor shall upon request by Grantee certify in writing to Grantee, or any proposed assignee of this Security Deed, the amount of principal and interest then owing on the Indebtedness and whether or not any set-offs or defenses exist against all or any part of the Indebtedness. (5) *Rents and Leases:* Grantor hereby transfers, assigns and conveys unto Grantee all of Grantor's right, title and interest in and to all leases or undertakings to lease now or hereafter existing or made, and all other agreements for use or occupancy, with respect to the Premises or any part thereof, and grants to Grantee a security interest in all rents, issues, income, revenues, profits accounts and contract rights due or to become due thereunder or otherwise deriving from the use and occupancy of the Premises. Grantor shall faithfully preform the COVENANTS of Grantor as lessor under all present and future leases of all or any portion of the Premises and shall not do, neglect to do, or permit to be done, anything which may cause the terminating of such lease or any of them, or which may diminish or impair their value or the rent provided for therein or the interest of Grantor or Grantee therein or thereunder. Grantor, without first obtaining the written consent of Grantee, shall not further assign the rents, issues, income, revenues, profits, accounts or contract right from the Premises or any part thereof, shall not consent to the cancellations or surrender of any lease of the Premises or any part thereof now existing or hereafter to be made, shall not modify any such lease so as to shorten the unexpired term thereof or so as to decrease the amount of the rent payable thereunder and shall not collect rents from the Premises or any part thereof for more than one month in advance. Grantor shall procure and deliver to Grantee upon request estoppel letters or certificates from each lessee, tenant, occupant in possession and other user of the premises or any part thereof, as required by and in form and substance satisfactory to Grantee, and shall deliver to Grantee a recordable assignment of all of Grantor's interest in all leases now or hereafter existing or made with respect to the Premises or any part thereof, which assignment shall be in form and substance satisfactory to Grantee, together with proof of due service of a copy of such assignment on each lessee, tenant, occupant in possession or other user of the Premises or any part thereof. (6) *Maintenance and Repair:* Grantor shall maintain the Premises in good condition and repair, shall not commit or suffer any waste to the Premises, and shall comply with, or cause to be complied with all statutes, ordinances, rules, regulations and directives of any governmental authority relating to the Premises or any part thereof or the use to occupancy of the Premises or any part thereof. No part of the Premises, including but not limited to any buildings, structures, parking lots, driveways or other improvements now or hereafter constructed on the land which is part of the Premises, shall be removed, demolished or materially altered without the prior written consent of Grantee. If at any time during the continuance of the Indebtedness any addition, alteration, change, repair, reconstruction or other work on the Premises of any nature, structural or otherwise, becomes necessary or desirable because of damage to or destruction of the Premises or any part thereof, the entire expense thereof, regardless of when the same shall be incurred or became due, shall be the sole obligation and

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responsibility of Grantor, and Grantor shall pay the entire expenses thereof promptly when due. (7) *Hazard and Liability Insurance:* Grantor shall keep the Premises insured against loss or damage by fire and such other casualties and risks as the Grantee may require from time to time, with such companies, in such amounts and under such forms of policies as Grantee may approve. Such policies shall inure to the benefit of and insure Grantee's interest in the Premises; shall name Grantee as an insured party thereunder; shall provide that losses thereunder shall be payable to Grantee pursuant to such forms of loss payable clauses as Grantee may approve and shall provide that no cancellation or reduction in coverage shall be effective unless the insurer first gives Grantee thirty (30) days prior written notice and, irrespective of the insurance required and approved by Grantee, Grantor shall assign and deliver to Grantee, as additional collateral for the payment on the indebtedness, all policies of insurance which insure against loss or damage to the Premises, and Grantor hereby grants to Grantee a security interest in the proceeds from any and all such policies. Grantor shall also procure and maintain public liability insurance coverage with such companies, in such amounts and under such forms of policies as Grantee may approve, naming Grantee as an additional insured thereunder and providing that no cancellation or reduction in coverage thereunder shall be effective unless the insurer first gives Grantee thirty (30) days prior written notice. Forthwith upon the issuance of all such policies, Grantor shall deliver the same to Grantee together with evidence satisfactory to Grantee that the premiums therefor have been paid, within fifteen (15) days prior to the expiration date of each such policy, Grantor shall deliver to Grantee a renewal policy together with evidence satisfactory to Grantee that the premium therefor has been paid. In the event of a foreclosure and sale by Grantee of the Premises, the purchaser of the Premises shall succeed to all rights of Grantor in and to such policies, including the right to the refund of unearned premiums and to dividends thereunder and Grantee may, at Grantee's election, assign and deliver the policies to such purchaser without any warranty or representation, express or implied, and without recourse. In the event of damage to or destruction of the Premises or any part thereof, Grantee may adjust, settle or compromise claims under such policies, and the proceeds therefrom shall be paid to Grantee. Grantee at Grantee's option and in Grantee's sole discretion, may either (i) apply the proceeds or any part thereof to the Indebtedness or (ii) require Grantor to repair, replace or reconstruct the Premises or any part thereof and disburse the proceeds to Grantor to be applied against the costs and expenses thereof as incurred or paid by Grantor. (8) *Flood Insurance:* Grantor represents and has certified to Grantee that no part of the Premises lies within a "special flood hazard area" as defined and specified by the United States Department of Housing and Urban Development pursuant to the Flood Disaster Protection Act of 1973. In the event Grantee determines that the rules or regulations of the Federal Reserve Board, the Comptroller of the Currency or any other governing agency licensing or regulating the operations of Grantee requires that flood insurance coverage be obtained for the Premises or any part thereof in order for Grantee to comply with such rules or regulations or with the Flood Disaster Protection Act of 1973 as then in effect, then Grantor, upon receiving written notice from Grantee of such determination, (i) shall promptly purchase and pay the premiums for such flood insurance policies as Grantee deems required by such agency or agencies so that Grantee shall be deemed in compliance with the rules and regulations of such agency or agencies and with the Flood Disaster Protection Act of 1973 as then in effect; and (ii) shall deliver such policies to Grantee together with evidence satisfactory to Grantee that the premiums therefor have been paid. Such policies of flood insurance shall be in a form satisfactory to Grantee, shall name Grantee as an insured thereunder, shall provide that loses thereunder be payable to Grantee pursuant to such forms of loss payable clauses as Grantee may approve, shall be for an amount at least equal to the Indebtedness or the maximum limit of coverage made available with respect to the Premises under the National flood Insurance Act of

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1968 as amended, whichever is less, and shall be noncancellable as to Grantee except upon thirty (30) days prior written notice given by the insurer to Grantee. Within ten (10) days prior to the expiration date of each such flood insurance policy, Grantor shall deliver to Grantee a renewal policy or endorsement together with evidence satisfactory to Grantee that the premium therefore has been paid. (9) *Condemnation:* To the extent of the Indebtedness, Grantor grants to Grantee a security interest in any and all payments, awards, judgments or settlements, including interest thereon, to which Grantor may be or may become entitled or which Grantee may receive by reason of injury or damage to, or loss of, the Premises or any part thereof as a result of the exercise of the right of eminent domain. Notwithstanding any injury or damage to, or loss of, the Premises or any part thereof as a result of the exercise of the right of eminent domain, Grantor shall continue to pay the Indebtedness. All sums paid or payable to Grantor by reason of any injury or damage to, or loss of, the Premises or any part thereof as a result of the exercise of the right of eminent domain shall be delivered to Grantee and Grantee, at Grantee's option and at Grantee's sole discretion, may either (i) apply the sums or any part hereof to the Indebtedness or (ii) require Grantor to repair, replace or reconstruct the Premises or any part thereof or disburse such sums to Grantor to be applied against the costs and expenses thereof as incurred or paid by Grantor. (10) *Inspection:* Grantor shall permit any person designated by Grantee to visit and inspect the Premises, to examine the books of account and other records of Grantor with respect to the Premises, and to discuss the affairs, finances and accounts of Grantor with and to be advised as to the same by Grantor or a knowledgeable and duly authorized representative of Grantor, all at such reasonable times and intervals as Grantee may desire. (11) *Restriction on Transfer:* Except as otherwise provided herein, unless GRANTEE gives its written consent thereto and such consent is recorded in the public deed records of the Clerk of the Superior Court of the county in which the Security Deed is recorded, Grantor shall not grant, bargain, convey, transfer, assign, exchange or sell all or any portion of Grantor's interest in the Premises prior to the satisfaction and release by Grantee of this Security Deed.

EVENTS OF DEFAULT hereunder shall be the occurrence of any one or more of the following: (1) *Payment of Indebtedness:* Failure of Grantor to pay the Indebtedness or any part thereof when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment or at a date fixed by reason of acceleration of the due date thereof or otherwise; (2) *Other Payments and Terms:* Failure of Grantor to make any payment (other than on the Indebtedness) required hereunder or to observe, perform, or comply with any of the covenants, terms and conditions set forth herein, or in any other instrument, document, agreement, letter or other writing heretofore, concurrently herewith or in the future executed by Grantor in favor of Grantee in connection with any transaction which resulted in the Indebtedness or any part thereof; provided; however, that Grantee shall provide Grantor with written notice as to any non-monetary default, and Grantor shall have thirty (30) days from receipt of such notice in which to cure such default; (3) *False Statements:* If any certificate, representation, warranty, statement or other writing made herein or heretofore, now or hereafter furnished to Grantee by or on behalf of Grantor in connection with any transaction which resulted in the Indebtedness or any part thereof be false, untrue, incomplete or misleading in any respect as of the date made; (4) *Waste:* If the Premises or any part thereof should be subject to actual or threatened waste, or any part thereof be removed demolished, or materially damaged or altered as a result of which the value of the Premises shall be diminished; (5) *Seizure or Levy:* If the premises or any part thereof be seized or levied upon under legal process or a receiver be appointed for the Premises or any part thereof or for Grantor; (6) *Lien:* If any Federal Tax lien or any claim for labor, material or architectural or engineering services furnished or alleged to have been furnished in the improvements of or with respect to the Premises if filed of record against

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Grantor or the Premises and is not removed from record by payment or both within thirty (30) days from the date of such filing; (7) *Priority Claim:* If any person shall assert any claim or priority over this Security Deed in any legal or equitable proceeding, and such claim shall not have been dismissed with prejudice within sixty (60) days after the filing thereof: (8) *Insolvency or Bankruptcy:* If Grantor shall become insolvent or make an assignment for benefit or creditors, or if Grantor should file a petition for bankruptcy or an arrangement pursuant to the Federal Bankruptcy Act or any similar statute, or if Grantor be adjudicated a bankrupt or an insolvent; or if any proceeding is instituted against or on behalf of Grantor alleging that Grantor is insolvent or unable to pay Grantor's debts as they mature; or if a petition for the bankruptcy or arrangement of Grantor, pursuant to the Federal Bankruptcy Act or any similar statute is filed: (9) *Receiver*: If there should be appointed a receiver, liquidator or trustee for Grantor or for any property of Grantor; (10) *Judgment:* If any Judgment is rendered against Grantor which is not paid in full and satisfied or is not appealed from within the time allowed for appeals and paid in full and satisfied when it becomes final; (11) *Liquidation or Dissolution:* Should Grantor, if a corporation, be liquidated or dissolved or its articles of incorporation expire to be revoked, or, if a partnership or business association, be dissolved or partitioned, or if a trust, be terminated or expired.

GRANTEE'S REMEDIES AND POWER OF SALE upon the occurrence of an event of default shall be that, at Grantee's option and election without notice to Grantor, Grantee may declare all or any portion of the Indebtedness to be immediately due and payable, whereupon the same shall be and shall become due and payable forthwith without presentment, demand, protest or notice of any kind, all of which are expressly waived by Grantor, and Grantee, at Grantee's option and election, may do any one or more of the following: (1) *Entry and Possession:* Grantee may enter upon the Premises or any part thereof and take possession thereof, excluding therefrom Grantor and all agents, employees and representative of Grantor; employ a manager of the Premises or any part thereof; hold, store, use, operate, manage, control, maintain and lease the Premises or any part thereof; conduct business thereon; make all necessary and appropriate repairs, renewals, and replacements; keep the Premises insured; or carry out or enter into agreement of any kind with respect to the Premises. (2) *Collection of Rents:* Grantee may collect and receive all rents, issues, income, revenues, profits, accounts and contract rights from the Premises and apply the same to the Indebtedness, after deducting therefrom all costs, charges, and expenses of taking, holding, managing, and operating the premises, including the fees and expenses of Grantee's attorneys, and agents. (3) *Payment:* Grantee may pay any sum or sums deemed necessary or appropriate by Grantee to protect the Premises or any part thereof or Grantee's interest therein. (4) *Other Remedies:* Grantee may exercise all rights and remedies contained in any other instrument, document, agreement or other writing, heretofore, concurrently, herewith or in the future executed by Grantor in favor of Grantee in connection with the transactions resulting in the Indebtedness or any part thereof. (5) *Appointment of Receiver:* Grantee may make application to any court and be entitled to the appointment of a receiver to take charge of the Premises or any part thereof without alleging or proving, or having any consideration given to, the insolvency of Grantor, the value of the Premises as security for the Indebtedness or any other matter usually incident to the appointment of a receiver. (6) *U.C.C. Remedies:* With respect to the personal property in which a security interest is herein granted, Grantee may exercise any or all of the rights accruing to a secured party under this Security Deed, the Uniform Commercial Code – Secured Transactions in Georgia (O.C.G.A. §11-9-101 et.seq.) and any other applicable law. Grantor shall, if Grantee requests, assemble all such personal property and make it available to Grantee at a place or places to be designated by Grantee, which shall be reasonably convenient to Grantor and Grantee. Any notice required to be

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given by Grantee of a public or private sale, lease or other disposition of the personal property or any other intended action by Grantee may be personally delivered to Grantor or may be deposited in the United States mail with postage prepaid duly addressed to Grantor at the address of Grantor last known to Grantee at least five (5) business days prior to such proposed action, and shall constitute reasonable and fair notice to Grantor of any such action (7) *Power of Sale:* Grantee may sell the Premises, or any part thereof or any part interest therein separately, at Grantee's discretion, with or without taking possession thereof, at public sale before the courthouse door of the county in which the Premises, or a part thereof is located, to the highest bidder for cash, after first giving notice of the time, place and terms of such sale by advertisement published once a week for four weeks (without regard for the number of days) in a newspaper in which advertisements of sheriffs sales are published in such county. The advertisement so published shall be notice to Grantor, and Grantor hereby waives all other notices. Grantee may bid and purchase at any such sale, and Grantee may execute and deliver to the purchaser or purchasers at any such sale a sufficient conveyance of the Premises, or the part thereof or interest therein sold. Grantee's conveyance may contain recitals as to the occurrence of any event of default under this Security Deed, which recitals shall be presumptive evidence that all preliminary acts prerequisite to such sale and conveyance were in all things duly complied with. The recitals made by Grantee shall be binding and conclusive upon Grantor, and the sale and conveyance made by Grantee shall divest Grantor of all right, title, interest and equity the Grantor may have had in, to and under the Premises, or the part thereof or interest therein sold, and shall vest the same in the purchaser or purchasers at such sale. Grantee may hold one or more sales hereunder until the Indebtedness has been satisfied in full. Grantor hereby constitutes and appoints Grantee as Grantor's agent and attorney-in-fact to make such sale, to execute and deliver such conveyance and to make such recitals, and Grantor hereby ratifies and confirms all of the acts and doings of Grantee as Grantor's agent and attorney-in-fact hereunder. Grantee's agency and power as attorney-in-fact hereunder are coupled with an interest, cannot be revoked by insolvency, incompetency, death or otherwise, and shall not be exhausted until the Indebtedness has been satisfied in full. The proceeds of each sale by Grantee hereunder shall be applied first to the costs and expenses of the sale and on all proceedings in connection therewith, including attorney's fees if applicable, then to the payments of the Indebtedness, and the remainder if any, shall be paid to Grantor. If the proceeds of any sale are not sufficient to pay the Indebtedness in full, Grantee shall determine, at Grantee's option and in Grantee's discretion, the portions of the Indebtedness to which the proceeds (after deducting therefrom the costs and expenses of the sale and at proceedings in connection therewith) shall be applied and in what order the proceeds shall be so applied. Grantor covenants and agrees that, in the event of any sale pursuant to the agency and power herein granted. Grantor shall be and become a tenant holding over and shall deliver possession of the Premises or the part thereof or interest therein sold, to the purchaser or purchasers at the sale or be summarily dispossessed in accordance with provisions by law applicable to tenants holding over.

All rights and remedies set forth above are cumulative and in addition to any right or remedy provided for by statute, or hereafter existing at law or in equity, including without limitation the right of Grantee to collect or enforce the Indebtedness with or without taking any action with respect to the Premises. Grantee may, at Grantee's election and at Grantee's discretion, exercise each and every such right with remedy concurrently or separately.

ADDITIONAL PROVISIONS of this Security Deed, constituting additional covenants and agreements by Grantor, are as follows: (1) *Applicable Law:* This Security Deed shall be governed by and construed, interpreted and enforced in accordance with the laws of the State of Georgia (2) *Forbearance:* Grantee shall not be deemed to waive any of Grantee's rights or

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remedies hereunder unless such waiver be in writing and signed by or on behalf of Grantee. No delay, omission or Forbearance by Grantee in exercising any of Grantee's right or remedies shall operate as a waiver of such rights or remedies, and a waiver in writing on one occasion shall not be construed as a consent to or a wavier of any right or remedy on any future occasion. (3) *Time:* Time is and shall be of the essence of this Security Deed and the Covenants and agreements by Grantor. (4) *Captions:* Any captions or heading preceding the text of separate sections, paragraphs and subparagraphs hereof are solely for reference purposes and shall not affect the meaning, construction, interpretation or effect of the text. (5) *Notices:* All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given to Grantor if personally delivered or if mailed in the United States mail, by certified mail with a return receipt requested and postage prepaid. (6) *Severability* In the event that any of the terms, provisions or covenants of this Security Deed are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof not held to be partially or wholly invalid or unenforceable. (7) *Definitions:* The word "Grantor" as used herein shall include the plural should more than one Grantor execute this document; shall include the masculine and feminine gender, regardless of the sex of Grantor or any of them; shall include individuals, partnership, joint ventures, corporations and other legal entities should such an entity execute this document; and shall include the heirs, legal representatives, successors and assigns of Grantor. If more than one party shall execute this Security Deed, the word "Grantor" shall mean all parties signing, and each of them, and each and every agreement and obligation of Grantor shall be and mean the joint and several undertakings of each of them. The word "Grantee" as used herein shall include the transferees, successors, legal representatives and assigns of Grantee, and all rights of Grantee hereunder shall inure to the benefit of its transferees, successors, legal representatives and assigns. (8) *Other Provisions:* The terms and conditions set forth in Exhibit "B", if any, attached hereto are incorporated herein and made a part hereof by reference.

GRANTOR EXPRESSLY WAIVES the following: (1) *Notice and Hearing:* Any right Grantor may have under the Constitution of the State of Georgia or the Constitution of the United States of America to notice or to a judicial hearing prior to the exercise of any right or remedy provided to Grantee by this Security Deed, Grantor waives Grantor's rights, if any, to set aside or invalidate any sale under power duly consummated in accordance with the provisions of this Security Deed on the grounds (if such be the case) that the sale was consummated without prior notice or judicial hearing or both and (2) all homestead exemption rights, if any, which Grantor or Grantor's family may have pursuant to the constitution and laws of the United States, the State of Georgia or any other State of the United States, in and to the Premises as against the collections of the Indebtedness, or any part thereof. All waivers by Grantor in this paragraph have been made voluntarily, intelligently and knowingly by Grantor, after Grantor has been afforded an opportunity to be informed by counsel of Grantor's choice as to possible alternative rights. Grantor's executions of this Security Deed shall be conclusive evidence of the making of such waivers and that such waivers have been voluntarily, intelligently and knowingly made.

"PERPETUAL SECURITY INTEREST CREATED: It is the affirmative intention of the Grantor and Grantee to create and establish a perpetual or indefinite security interest in favor of the Grantee in the land or real property conveyed hereby, pursuant to O.C.G.A. Sec. 44-14-80(a) and specifically to agree that the title to the land or real property conveyed hereby shall not revert to grantor for a period of the later of: (i) 20 years from the date of this conveyance or seven years from the maturity of the indebtedness secured hereby or (ii) the date determined in accordance of O.C.G.A. Sec. 44-14-80(b) or Sec. 44-14-80(c), as applicable, if any portion or all

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of the indebtedness secured hereby is extended or renewed beyond the original maturity date thereof. In addition to all other covenants set forth herein, Grantor hereby agrees that the perpetual or indefinite security interest hereby established also secures all loans, whatever made and in whatever form made, incident to the open end or other indebtedness provisions of this indenture.

IN WITNESS WHEREOF, this Security Deed has been executed and sealed by Grantor the day and year first above written.

BORROWER:

DAVID BROSMAN

DANA BROSMAN

Signed, sealed and delivered this
10th day of July, 2020,
in the presence of:

Unofficial Witness

Notary Public

EDWARD L NEWBERRY JR
Notary Public, Effingham County, GA
My Commission Expires June 21, 2024

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EXHIBIT "A"

All that certain lot, tract or parcel of land situate, lying and being in the 9th G.M. District, Effingham County, Georgia, being known as **Parcel 2 (5.00 acres, more or less),** as shown and more particularly described on that certain map or plat made by Donald W. Marsh, R.L.S. #2371, dated June 9, 2020, and recorded in **Plat Book 28, Page 826** in the records of the Clerk of Superior Court of Effingham County, Georgia. For a more particular description reference is hereby made to the aforesaid plat, which is specifically incorporated herein and made a part hereof.

Grantor hereby grants and conveys a perpetual easement for and in favor of Grantees and their successors and assigns for the purpose of vehicular and pedestrian ingress and egress to and from Parcel 2, which is designated as the "80' Access & Utility Easement" on the plat recorded in Plat Book 28, Page 826, in the records of the Clerk of Superior Court of Effingham County, Georgia.

Also included herewith is all of Grantor's interest in that non-exclusive perpetual right-of-way easement for a road and for utility purposes over and across that certain 60-foot wide road easement shown on said plat extending from Rahn Station County Public Road over and across other lands of Rahn to a point extending along the Southwesterly boundary line of the above described parcel of land.

Also included herewith is all of Grantor's interest in that non-exclusive perpetual right-of-way easement for ingress and egress for a road and for utility purposes over and across that certain 80-foot wide access and utility easement shown on said plat extending from the Northerly boundary line of said 60-foot wide easement above described over and across Tract 3 and Tract 4 to a point where it intersects with Tract 2 above referred to. Said easement being 40-feet wide on Tract 3 and 40-feet wide on Tract 1.

Subject, however, to all valid restrictions, easements, and rights of way of record.

This being a portion of the property conveyed by Warranty Deed from Darwin Louis Perkins and Regina Lynne Perkins to Christopher J. Shea, dated February 23, 2007, recorded in Deed Book 1591, Page 393, aforesaid records.

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STATE OF GEORGIA
COUNTY OF EFFINGHAM

GRANTOR: David Brosman and Dana Brosman

LENDER: Island Funding, LLC

DATE OF SECURITY DEED: July 10, 2020

WAIVER OF BORROWER'S RIGHTS

BY EXECUTION OF THIS PARAGRAPH, GRANTOR EXPRESSLY: (1) ACKNOWLEDGES THE RIGHT TO ACCELERATE THE DEBT AND THE POWER OF ATTORNEY GIVEN HEREIN TO LENDER TO SELL THE PREMISES BY NONJUDICIAL FORECLOSURE UPON DEFAULT BY GRANTOR WITHOUT ANY JUDICIAL HEARING AND WITHOUT ANY NOTICE OTHER THAN SUCH NOTICE AS IS REQUIRED TO BE GIVEN UNDER THE PROVISIONS HEREOF; (2) WAIVES ANY AND ALL RIGHTS WHICH GRANTOR MAY HAVE UNDER THE FIFTH AND FOURTEENTH AMENDMENTS TO THE CONSTITUTION OF THE UNITED STATES, THE VARIOUS PROVISIONS OF THE CONSTITUTION FOR THE SEVERAL STATES, OR BY REASON OF ANY OTHER APPLICABLE LAW TO NOTICE AND TO JUDICIAL HEARING PRIOR TO THE EXERCISE BY LENDER OF ANY RIGHT OR REMEDY HEREIN PROVIDED TO LENDER, EXCEPT SUCH NOTICE AS IS SPECIFICALLY REQUIRED TO BE PROVIDED HEREOF; (3) ACKNOWLEDGES THAT GRANTOR HAS READ THIS DEED AND SPECIFICALLY THIS PARAGRAPH AND ANY AND ALL QUESTIONS REGARDING THE LEGAL EFFECT OF SAID DEED AND ITS PROVISIONS HAVE BEEN EXPLAINED FULLY TO GRANTOR AND GRANTOR HAS BEEN AFFORDED AN OPPORTUNITY TO CONSULT WITH COUNSEL OF GRANTOR'S CHOICE PRIOR TO EXECUTING THIS DEED; (4) ACKNOWLEDGES THAT ALL WAIVERS OF THE AFORESAID RIGHTS OF GRANTOR HAVE BEEN MADE KNOWINGLY, INTENTIONALLY AND WILLINGLY BY GRANTOR AS PART OF A BARGAINED-FOR LOAN TRANSACTION; AND (5) AGREES THAT THE PROVISIONS HEREOF ARE INCORPORATED INTO AND MADE A PART OF THE SECURITY DEED.

READ AND AGREED BY GRANTOR:

Signed, sealed and delivered
in the presence of

Lisa C Newberry

Notary Public

EDWARD L NEWBERRY JR
Notary Public, Effingham County, GA
My Commission Expires June 21, 2024

David Brosman - Grantor (SEAL)

Dana Brosman - Grantor (SEAL)

(SEAL)

(SEAL)

CLOSING ATTORNEY'S AFFIDAVIT

Before the undersigned attesting officer personally appeared the undersigned closing attorney, who having been first duly sworn according to law, states under oath as follows:

In closing the above loan, but prior to the execution of the Deed to Secure Debt and "Waiver of Borrower's Rights" by the Borrowers, I reviewed with and explained to the Borrowers the terms and provisions of the Deed to Secure Debt and particularly the provisions thereof authorizing the Lender to sell the secured property by a nonjudicial foreclosure under a power of sale, together with the "Waiver of Borrower's Rights" and informed the Borrowers of Borrower's rights under the Constitution of the State of Georgia and the Constitution of the United States to notice and a judicial hearing prior to such foreclosure in the absence of a knowing, intentional and willing contractual waiver by Borrowers of Borrower's rights. After said review with and explanation to Borrowers, Borrowers executed the Deed to Secure Debt and "Waiver of Borrower's Rights."

Based on said review with and explanation to the Borrowers, it is my opinion that Borrowers knowingly, intentionally and willingly executed the waiver of Borrower's constitutional rights to notice and judicial hearing prior to any such nonjudicial foreclosure.

Sworn to and subscribed before me on the date set forth above.

Notary Public

Closing Attorney

FORECLOSURE CLOSING DISCLOSURE

O.C.G.A Section 7-1-1014(3) requires that we inform you that if you fail to meet any condition or term of the documents that you sign in connection with obtaining a mortgage loan you may lose the property that serves as collateral for the mortgage loan through foreclosure.

David Brosman

Dana Brosman

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RESOLUTION
OF
ISLAND FUNDING, LLC

a South Carolina Limited Liability Company

THIS RESOLUTION, executed by the parties as set forth below as of the 12th day of August, 2021, is entered into by the Members (as defined herein). Unless otherwise noted, any code section referenced in this Resolution refers to the South Carolina Limited Liability Company Act (the "Act"), §33-44-101, et. Seq. Code of Laws of South Carolina (1996 as amended).

WHEREAS, Gary C. Johnson ("Mr. Johnson") and Blue Bell Holdings, LLC ("Blue Bell"), collectively referred to as (the "Members") each hold fifty-percent (50%) of the membership interest in Island Funding, LLC (the "Company"); and

WHEREAS, the Company is a member-managed Limited Liability Company ("LLC") as defined in § 33-44-101(12); and

WHEREAS, the Members of the Company entered into a certain operating agreement effective as of November 21, 2012; and

WHEREAS, Article 6.1 of the operating agreement provides that "(i) the powers of the company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the joint direction of all of the Members; and (ii) upon the agreement and consent of all of the Members, the Members may make all decisions and take all actions for the Company not otherwise provided for in this Operating Agreement…"; and

WHEREAS, the Members executed a company resolution on May 14th, 2021 incorporated by reference and attached hereto as Exhibit I; and

WHEREAS, the Company is bound by and has been abiding by the terms of the company resolution mentioned immediately above; and

WHEREAS, the Company made a return of capital to Blue Bell on July 23rd, 2021 in the amount of $258,908.00 as evidenced by Company check number 2288; and

WHEREAS, the Members acknowledge that the capital account of Blue Bell (or its predecessor in interest) has not yet been updated since the close of tax year 2019. However, the Members further acknowledge and agree to continue supplement the May 14th, 2021 company resolution to reflect Blue Bell's capital account at the close of tax year 2020, as determined by the Company's CPA, as soon as reasonably practicable.

BE IT RESOLVED, that this Resolution is being made to supplement the company resolution of May 14th, 2021; and

BE IT FURTHER RESOLVED, that the Company will continue to bound by the terms contained in the May 14th, 2021 company resolution and this Resolution shall not contradict any terms contained therein; and

BE IT FURTHER RESOLVED, that immediately after the transaction mentioned herein was completed, Blue Bell's outstanding capital account, based on the 2019 tax return for the Company is $363,772.57; and

BE IT FURTHER RESOLVED, that the Members agree to work with the Company CPA to update Blue Bell's current capital account in order to determine the exact amount of capital to be returned and will also supplement this Resolution and/ or the May 14th, 2021 company resolution as necessary.

[signature page to follow]

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The undersigned hereby certify that the above Resolution was adopted by the Members of Island Funding, LLC as of the _____ day of August, 2021.

MEMBERS:

_____
Gary C. Johnson

Blue Bell Holdings, LLC

_____
Name: David A. Brosman, M.D.
Title: Manager

[remainder of this page intentionally left blank]

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Exhibit I

651121

Schedule K-1 (Form 1065)
Department of the Treasury
Internal Revenue Service

2021

For calendar year 2021, or tax year

beginning / / 2021 ending / /

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0123

Partner's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
27-0220224

B Partnership's name, address, city, state, and ZIP code

30 HAUL AWAY, LLC
301 CENTRAL AVE STE 305
HILTON HEAD, SC 29926

C IRS center where partnership filed return ►e-file

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)
[redacted]

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

GARY JOHNSON
301 CENTRAL AVE STE 305
HILTON HEAD, SC 29926

G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member

H1 ☒ Domestic partner ☐ Foreign partner

H2 ☐ If the partner is a disregarded entity (DE), enter the partner's:
TIN _____ Name _____

I1 What type of entity is this partner? Individual

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here . . . ► ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50 %	50 %
Loss	50 %	50 %
Capital	50 %	50 %

Check if decrease is due to sale or exchange of partnership interest . . . . . ► ☐

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	$	$
Qualified nonrecourse financing	$	$
Recourse	$	$

Check this box if Item K includes liability amounts from lower tier partnerships. . . . . ► ☐

L Partner's Capital Account Analysis

Beginning capital account	$ 29,429.
Capital contributed during the year	$
Current year net income (loss)	$ 110,920.
Other increase (decrease) (attach explanation)	$
Withdrawals and distributions	$(40,000.)
Ending capital account	$ 100,349.

M Did the partner contribute property with a built-in gain (loss)?
☐ Yes ☒ No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)
Beginning $ _____
Ending $ _____

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) 56,275.	14	Self-employment earnings (loss) A 56,275.
2 *	Net rental real estate income (loss) 3,402.		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked . . . ► ☐
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items A -11.
5	Interest income		B -84.
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	19	Distributions A 40,000.
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain 4,202.	20	Other information Z* STMT
10	Net section 1231 gain (loss) 51,243.		
11	Other income (loss)		
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		

22 ☐ More than one activity for at-risk purposes*
23 ☐ More than one activity for passive activity purposes*

*See attached statement for additional information.

For IRS Use Only

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651121

Schedule K-1 (Form 1065)
Department of the Treasury
Internal Revenue Service

2021

For calendar year 2021, or tax year

beginning / / 2021 ending / /

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0123

Partner's Share of Income, Deductions, Credits, etc.

► See separate instructions.

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A Partnership's employer identification number
27-0220224

B Partnership's name, address, city, state, and ZIP code

30 HAUL AWAY, LLC
301 CENTRAL AVE STE 305
HILTON HEAD, SC 29926

C IRS center where partnership filed return ►e-file

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)
[redacted]

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

BLUE BELL HOLDINGS, LLC
PO BOX 21060
HILTON HEAD, SC 29925

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H1 ☒ Domestic partner ☐ Foreign partner

H2 ☐ If the partner is a disregarded entity (DE), enter the partner's:
TIN _____ Name _____

I1 What type of entity is this partner? Partnership

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here . . . ► ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50 %	50 %
Loss	50 %	50 %
Capital	50 %	50 %

Check if decrease is due to sale or exchange of partnership interest . . . . . ► ☐

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	$	$
Qualified nonrecourse financing	$	$
Recourse	$	$

Check this box if Item K includes liability amounts from lower tier partnerships. . . . . ► ☐

L Partner's Capital Account Analysis

Beginning capital account	$ 1,687,325.
Capital contributed during the year	$
Current year net income (loss)	$ 110,920.
Other increase (decrease) (attach explanation)	$
Withdrawals and distributions	$(1,041,511.)
Ending capital account	$ 756,734.

M Did the partner contribute property with a built-in gain (loss)?
☐ Yes ☒ No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)
Beginning $ _____
Ending $

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) 56,275.	14	Self-employment earnings (loss)
2 *	Net rental real estate income (loss) 3,402.		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked . . . ► ☐
4c	Total guaranteed payments	17 A	Alternative minimum tax (AMT) items -11.
5	Interest income	B	-85.
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	19	Distributions
9a	Net long-term capital gain (loss)	A	1,041,511.
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain 4,202.	20 Z*	Other information STMT
10	Net section 1231 gain (loss) 51,243.		
11	Other income (loss)		
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		

22 ☐ More than one activity for at-risk purposes*
23 ☐ More than one activity for passive activity purposes*

*See attached statement for additional information.

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651121

Schedule K-1 (Form 1065)

Department of the Treasury
Internal Revenue Service

2021

For calendar year 2021, or tax year

beginning / / 2021 ending / /

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0123

Partner's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
46-1755657

B Partnership's name, address, city, state, and ZIP code

ISLAND FUNDING, LLC
301 CENTRAL AVE STE 305
HILTON HEAD, SC 29926

C IRS center where partnership filed return ►e-file

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)
[redacted]

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

GARY JOHNSON
301 CENTRAL AVE STE 305
HILTON HEAD, SC 29926

G ☒ General partner or LLC member-manager ☐ Limited partner or other LLC member

H1 ☒ Domestic partner ☐ Foreign partner

H2 ☐ If the partner is a disregarded entity (DE), enter the partner's:
TIN _____ Name _____

I1 What type of entity is this partner? Individual

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here . . . ► ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50 %	50 %
Loss	50 %	50 %
Capital	50 %	50 %

Check if decrease is due to sale or exchange of partnership interest . . . . . ► ☐

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	$ 685,207.	$ 361,805.
Qualified nonrecourse financing	$	$
Recourse	$	$

Check this box if Item K includes liability amounts from lower tier partnerships. . . . . ► ☐

L Partner's Capital Account Analysis

Beginning capital account	$ -328,933.
Capital contributed during the year	$
Current year net income (loss)	$ 202,781.
Other increase (decrease) (attach explanation)	$
Withdrawals and distributions	$(100,000.)
Ending capital account	$ -226,152.

M Did the partner contribute property with a built-in gain (loss)?
☐ Yes ☒ No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)
Beginning $ _____
Ending $

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) 145,278.	14	Self-employment earnings (loss) A 131,062.
2 *	Net rental real estate income (loss) 7,123.		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked. . . . . ► ☐
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income 25.		
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	19	Distributions A 100,000.
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain	20	Other information A 25.
10	Net section 1231 gain (loss) 50,355.	Z*	STMT
11	Other income (loss)		
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		

22 ☐ More than one activity for at-risk purposes*
23 ☐ More than one activity for passive activity purposes*

*See attached statement for additional information.

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651121

Schedule K-1 (Form 1065) 2021

Department of the Treasury
Internal Revenue Service

For calendar year 2021, or tax year beginning / / 2021 ending / /

☐ Final K-1 ☐ Amended K-1 OMB No. 1545-0123

Partner's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
46-1755657

B Partnership's name, address, city, state, and ZIP code

ISLAND FUNDING, LLC
301 CENTRAL AVE STE 305
HILTON HEAD, SC 29926

C IRS center where partnership filed return ►e-file

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's SSN or TIN (Do not use TIN of a disregarded entity. See instructions.)
[redacted]

F Name, address, city, state, and ZIP code for partner entered in E. See instructions.

BLUE BELL HOLDINGS, LLC
PO BOX 21060
HILTON HEAD, SC 29925

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H1 ☒ Domestic partner ☐ Foreign partner

H2 ☐ If the partner is a disregarded entity (DE), enter the partner's: TIN _____ Name _____

I1 What type of entity is this partner? Partnership

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here . . . ► ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50 %	50 %
Loss	50 %	50 %
Capital	50 %	50 %

Check if decrease is due to sale or exchange of partnership interest . . . . . ► ☐

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	$ 685,207.	$ 361,805.
Qualified nonrecourse financing	$	$
Recourse	$	$

Check this box if Item K includes liability amounts from lower tier partnerships. . . . . ► ☐

L Partner's Capital Account Analysis

Beginning capital account	$ 1,859,563.
Capital contributed during the year	$
Current year net income (loss)	$ 202,781.
Other increase (decrease) (attach explanation)	$
Withdrawals and distributions	$(1,467,816.)
Ending capital account	$ 594,528.

M Did the partner contribute property with a built-in gain (loss)?
☐ Yes ☒ No If "Yes," attach statement. See instructions.

N Partner's Share of Net Unrecognized Section 704(c) Gain or (Loss)
Beginning $ _____
Ending $

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) 145,278.	14	Self-employment earnings (loss)
2 *	Net rental real estate income (loss) 7,123.		
3	Other net rental income (loss)	15	Credits
4a	Guaranteed payments for services		
4b	Guaranteed payments for capital	16	Schedule K-3 is attached if checked. . . . . ► ☐
4c	Total guaranteed payments	17	Alternative minimum tax (AMT) items
5	Interest income 25.		
6a	Ordinary dividends		
6b	Qualified dividends	18	Tax-exempt income and nondeductible expenses
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	19	Distributions A 1,467,816.
9a	Net long-term capital gain (loss)		
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain	20	Other information A 25.
10	Net section 1231 gain (loss) 50,355.	Z*	STMT
11	Other income (loss)		
12	Section 179 deduction	21	Foreign taxes paid or accrued
13	Other deductions		

22 ☐ More than one activity for at-risk purposes*
23 ☐ More than one activity for passive activity purposes*

*See attached statement for additional information.

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Gmail

Gary Johnson <boardwalkhiltonhead@gmail.com>

Capital Equalization

2 messages

Gary Johnson <boardwalkhiltonhead@gmail.com> Mon, Sep 27, 2021 at 11:42 AM
To: "Matthew W. Brosman, Esq." <mbrosman@brosmanlegal.com>

Matthew,

After analyzing the 2020 tax returns, I would like to propose the following:

Based on the Distribution Agreement we signed, which was based on the 2019 tax return, BlueBell had a positive capital balance of $ 622,680.57.

In July, following the sale of Admirals Row, Island Funding distributed to BlueBell an additional $258, 908.00, leaving a balance of $363,772.57.

Net income to each partner in 2020 was $30,738.00 per the K-1s. Adding the 2020 income to the BlueBell capital account brings it to a total of $394,510.57.

After crediting me with my half of the 2020 net income, my balance per the K-1 was -$328,933.00. I propose to make a capital contribution from me to Island Funding in the amount of $361,721.79 .Further, I propose that Island Funding make a distribution to BlueBell in the amount of $361,721.79. That would bring each partner's capital to a positive amount of $32,788.79, before consideration of any other 2021 transactions.

Matthew, please check the mathon this and get back to me.

Regards,

Gary

Matthew W. Brosman, Esq. <mbrosman@brosmanlegal.com> Mon, Oct 4, 2021 at 12:51 PM
To: Gary Johnson <boardwalkhiltonhead@gmail.com>

My dad said he wants to talk to his CPA about and will get back to you shortly.

Thanks,

Matthew W. Brosman, J.D., LL.M.
Attorney at Law
Brosman Legal, LLC
P.O. Box 21129
Hilton Head Island, SC 29925
e. mbrosman@brosmanlegal.com
p. 843-422-2121

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Schedule K-1 (Form 1065)
Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018 ending / /

[X] Final K-1 [ ] Amended K-1

651118

OMB No. 1545-0123

Partner's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
27-1218329

B Partnership's name, address, city, state, and ZIP code

6 SHELLEY COURT, LLC
60 BRAMS POINT ROAD
HILTON HEAD, SC 29926

C IRS Center where partnership filed return
e-file

D [ ] Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
[redacted]

F Partner's name, address, city, state, and ZIP code

DAVID A. BROSMAN
40 WIDEWATER ROAD
HILTON HEAD, SC 29926

G [X] General partner or LLC member-manager [ ] Limited partner or other LLC member

H [X] Domestic partner [ ] Foreign partner

I1 What type of entity is this partner? Disregarded Entity

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here [ ]

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50 %	50 %
Loss	50 %	50 %
Capital	50 %	50 %

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	$ 72,369.	$
Qualified nonrecourse financing	$	$
Recourse	$	$

L Partner's capital account analysis:

Beginning capital account	$ 188,631.
Capital contributed during the year	$ 51,023.
Current year increase (decrease)	$ 74,216.
Withdrawals & distributions	$ (313,870.)
Ending capital account	$ 0.

[X] Tax basis [ ] GAAP [ ] Section 704(b) book [ ] Other (explain)

M Did the partner contribute property with a built-in gain or loss?
[ ] Yes [X] No
If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss)	15	Credits
2 *	Net rental real estate income (loss) -4,447.		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	17 A	Alternative minimum tax (AMT) items 20.
9a	Net long-term capital gain (loss)	B	3,709.
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain 20,719.	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss) 78,663.		
11	Other income (loss)		
		19 A	Distributions 313,870.
12	Section 179 deduction		
13	Other deductions	20 Z	Other information -4,447.
14	Self-employment earnings (loss)		

*See attached statement for additional information.

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Schedule K-1 (Form 1065)
Department of the Treasury
Internal Revenue Service

2018

For calendar year 2018, or tax year

beginning / / 2018 ending / /

☐ Final K-1 ☐ Amended K-1

651118

OMB No. 1545-0123

Partner's Share of Income, Deductions, Credits, etc.

► See separate instructions.

Part I Information About the Partnership

A Partnership's employer identification number
46-1755657

B Partnership's name, address, city, state, and ZIP code

ISLAND FUNDING, LLC
60 BRAMS POINT RD
HILTON HEAD, SC 29926

C IRS Center where partnership filed return
e-file

D ☐ Check if this is a publicly traded partnership (PTP)

Part II Information About the Partner

E Partner's identifying number
[redacted]

F Partner's name, address, city, state, and ZIP code

DAVID A BROSMAN
40 WIDEWATER ROAD
HILTON HEAD, SC 29926

G ☐ General partner or LLC member-manager ☒ Limited partner or other LLC member

H ☒ Domestic partner ☐ Foreign partner

I1 What type of entity is this partner? Disregarded Entity

I2 If this partner is a retirement plan (IRA/SEP/Keogh/etc.), check here ☐

J Partner's share of profit, loss, and capital (see instructions):

	Beginning	Ending
Profit	50 %	50 %
Loss	50 %	50 %
Capital	50 %	50 %

K Partner's share of liabilities:

	Beginning	Ending
Nonrecourse	$ 626,594.	$ 643,820.
Qualified nonrecourse financing	$	$
Recourse	$	$

L Partner's capital account analysis:

Beginning capital account	$ 1,530,850.
Capital contributed during the year	$ 313,870.
Current year increase (decrease)	$ 106,112.
Withdrawals & distributions	$ (147,296.)
Ending capital account	$ 1,803,536.

☒ Tax basis ☐ GAAP ☐ Section 704(b) book ☐ Other (explain)

M Did the partner contribute property with a built-in gain or loss?
☐ Yes ☒ No
If "Yes," attach statement (see instructions)

Part III Partner's Share of Current Year Income, Deductions, Credits, and Other Items

1	Ordinary business income (loss) -17,232.	15	Credits
2 *	Net rental real estate income (loss) -12,669.		
3	Other net rental income (loss)	16	Foreign transactions
4	Guaranteed payments		
5	Interest income 230.		
6a	Ordinary dividends		
6b	Qualified dividends		
6c	Dividend equivalents		
7	Royalties		
8	Net short-term capital gain (loss)	17 A	Alternative minimum tax (AMT) items -6,155.
9a	Net long-term capital gain (loss)	B	-1,758.
9b	Collectibles (28%) gain (loss)		
9c	Unrecaptured section 1250 gain 49,052.	18	Tax-exempt income and nondeductible expenses
10	Net section 1231 gain (loss) 135,783.		
11	Other income (loss)		
		19 A	Distributions 147,296.
12	Section 179 deduction		
13	Other deductions	20 A	Other information 230.
		AB	272,809.
		Z	-29,901.
14	Self-employment earnings (loss)		

*See attached statement for additional information.

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From: Boardwalk properties
To: Elizabeth Palmer
Subject: Fwd: Tax Sale Highlights
Date: Wednesday, November 10, 2021 5:35:31 PM
Attachments: Tax Sale 2020 Highlights.pdf
We sent you safe versions of your files.msg

Mimecast Attachment Protection has deemed this file to be safe, but always exercise caution when opening files.

Sent from my iPhone

Thanks
Gary Johnson

Begin forwarded message:

From: "Matthew W. Brosman, Esq." <mbrosman@brosmanlegal.com>
Date: October 1, 2020 at 10:32:21 AM EDT
To: Boardwalk properties <boardwalkhiltonhead@gmail.com>
Subject: Tax Sale Highlights

See attached. Yellow highlights are ones that look like good potential and the two green highlights are the ones my dad wants to bid on with Bella B, LLC that attach to his property from a previous dealing with Lindgren.

Matthew W. Brosman, J.D., LL.M.
Attorney at Law
Brosman Legal, LLC
P.O. Box 21129
Hilton Head Island, SC 29925
e. mbrosman@brosmanlegal.com
p. 843-422-2121

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