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SC Court of Appeals

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Mikell R. Scarborough

Case No. 2017-CP-10-03099
Appellate Case No. 2022-001479

Elizabeth Heatley, Neil B. McCann, Jr., David Neil Monk, Thomas V. Bessent, and
Mariner's Cay Marina Council of Co-Owners, Inc.,.....Respondents,

v.

Mariner's Cay Marina Condo, LLC, Mariner's Cay Fuel Dock, LLC, George A. Farmer.,
Jr., and South Atlantic Bank, Defendants,

Of which Mariner's Cay Marina Condo, LLC, Mariner's Cay Fuel Dock, LLC, and George
A. Farmer., Jr. are the.....Appellants.

RECORD ON APPEAL
VOLUME VII of XV

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STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
) THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON) CASE NO.: 2017-CP-10-3099

Elizabeth Heatley, Neal B. McCann, Jr.,)
David Neil Monk, Thomas V. Bessent, and)
Mariners Cay Marina Council of Co-Owners,)
Inc.,)

Plaintiffs,)

vs.)

Mariners Cay Marina Condo, LLC and)
Mariners Cay Fuel Dock, LLC, George A.)
Farmer, Jr., and South Atlantic Bank,)

Defendants.)

NOTICE OF FILING

Please take notice that the Defendants hereby file the following:

- 1. The Defendants' Trial Exhibits 1-9.

Respectfully submitted,

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March 25, 2022

ROA 2570



BP0510673

PGS:

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STATE OF SOUTH CAROLINA)	IN THE COURT OF COMMON PLEAS
)	
COUNTY OF CHARLESTON)	FOR THE NINTH JUDICIAL CIRCUIT
)	
Emerald Portfolio, LLC)	C/A No. 2013-CP-10-850
)	
Plaintiff,)	
)	
v.)	
)	MASTER'S DEED
Tiger River Capital, LLC, Law)	
Firm Finance, LLC, Mariner's Cay)	
Marina Council of Co-Owners, Inc.,)	
and Mariner's Cay Racquet and)	
Yacht Club Homeowners Asso.,)	
Inc.,)	
)	
Defendants.)	
)	

WHEREAS, a foreclosure action involving the above named parties was decided by the Master-in-Equity Court by a Master-in-Equity's Order of Judgment for Foreclosure and Sale; and

WHEREAS, the Master-in-Equity Court did Order and Decree on March 16, 2015, that the property herein described should be sold at public sale, on July 7, 2015, by the said Court on the terms and for the purposes stated in the Order and Decree of the said Court; and

WHEREAS, the Plaintiff waived deficiency judgment, thereby making the sale on July 7, 2015, final; and

WHEREAS, the Master-in-Equity Court, after public advertisement of the said property as required by law, openly and publicly, at public auction, sold the said property for the highest bid received to Plaintiff, Emerald Portfolio, LLC, for the sum of Two Hundred Eighty Thousand and 00/100s (\$280,000.00) dollars; and

WHEREAS, for indexing purposes, the Grantor(s) are the Master-in-Equity for Charleston County, LLC and Law Firm Finance, LLC, and the Grantee is Emerald Portfolio, LLC; and

NOW, KNOW ALL MEN, that I, the undersigned as Master-in-Equity for Charleston County, in consideration of the sum of Two Hundred Eighty Thousand and 00/100s (\$280,000.00) dollars, paid to the said Court, the receipt of which is hereby acknowledged, have granted, bargained, sold and released, and by these presents, do grant, bargain, sell and release unto the said Emerald Portfolio, LLC, its successors and assigns:

Dock Unit C21 and C22 Mariners Cay HPR, an HPR established pursuant to South Carolina HPR Act SC Code Section 27-31-10 et seq. and submitted by

ROA 2571

Master Deed of Mariners Cay HPR dated May 11, 2006, and recorded in the Charleston County RMC Office in Book V583, at Page 584, as amended by that Master Deed of Mariners Cay HPR, recorded in Book X618, at Page 603, as shown and delineated on that certain plat entitled "Exhibit B" to the Master Deed of Mariners Cay HPR "Survey showing ships store, Easement and Marina Facilities Mariners Cay Marina at Mariners Cay, City of Folly Beach, Charleston County, South Carolina, dated December 27, 2005, revised April 28, 2006" and recorded in the Charleston County RMC Office as Exhibit B of the aforementioned Master Deed.

Derivation: This being the same property conveyed to Law Firm Finance, LLC by deed of Flint River Capital, LLC dated November 21, 2001 and recorded in Book V583 at Page 584, Charleston County records.

TMS#328-00-00-507 - Unit C-21 (Parcel 1)
TMS#328-00-00-508 - Unit C-22 (Parcel 2)

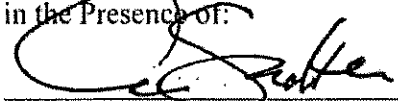
Grantee's Mailing Address:
Emerald Portfolio, LLC
c/o Sabal Financial Group
465 N. Halstead Street, Suite 105
Pasadena, CA 91107

Together with all and singular the rights, members, hereditaments and appurtenances to the said premises belonging, or in anywise incident or appertaining; and all the estate, right, title, claim and interest whatsoever of the parties to the cause aforesaid, and each of them, in and to the same, and of all other persons rightfully claiming from, under, or by these or any of them.

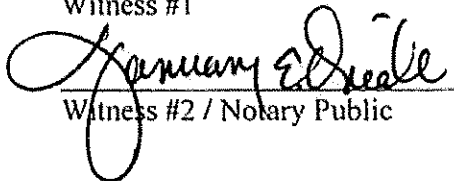
TO HAVE AND TO HOLD, all and singular, the premises before mentioned unto the said Emerald Portfolio, LLC, its successors and assigns forever.

IN WITNESS WHEREOF, I, the said Master-in-Equity in and for Charleston County, under and by virtue of the aforesaid Master-in-Equity Report and Judgment of Foreclosure and Sale, have here unto set my hand and seal, this 25 day of September 2015.

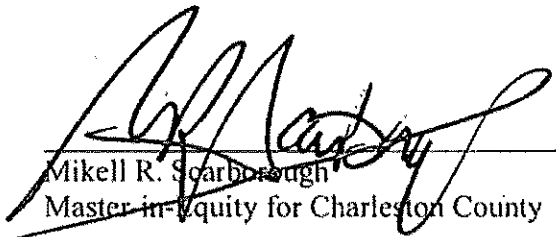
Signed, Sealed and Delivered
in the Presence of:



Witness #1



Witness #2 / Notary Public



Mikell R. Scarborough
Master-in-Equity for Charleston County

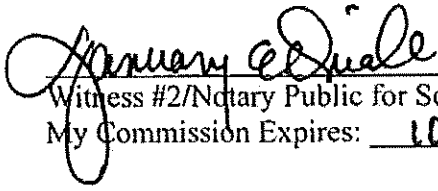
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STATE OF SOUTH CAROLINA)
) PROBATE
COUNTY OF CHARLESTON)

PERSONALLY APPEARED Ann SOUTHER (Witness #1) and made oath that (s)he saw the within named Mikell R. Scarborough, Master-in-Equity for Charleston County, sign, seal and as his act and deed, deliver the within deed; and that ANN SOUTHER (Witness #1) with January F. Cheale (Witness #2/Notary Public) witnessed the execution thereof.

Sworn to before me this 25
day of September, 2015.


Witness #1

 (L.S.)
Witness #2/Notary Public for South Carolina
My Commission Expires: 10-31-2021

A
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STATE OF SOUTH CAROLINA)
) AFFIDAVIT OF CONSIDERATION
COUNTY OF CHARLESTON)

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this affidavit and I understand such information.
2. The property being transferred is known as Dock Unit C21 and C22 Mariners Cay HPR and delineated on that certain plat entitled "Exhibit B" to the Master Deed of Mariners Cay HPR recorded in Book X618 at Page 603, bearing Charleston County Tax Map #328-00-00-507 (Unit C-21) and #328-00-00-508 (Unit C-22) and was conveyed to **Emerald Portfolio, LLC** on July 7, 2015.
3. Check one of the following: The deed is
 - (a) subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - (b) subject to the deed recording fee as a transfer between a corporation, a partnership, or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - (c) exempt from the deed recording fee pursuant to the exemption provided by Title 12-24-40 (13), Code of Laws, South Carolina (If exempt, please skip items 4-7, and go to item 8 of this affidavit.)
4. Check one of the following if either item 3(a) or item 3(b) above has been checked (See Information section of this affidavit.):
 - (a) The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of _____.
 - (b) The fee is computed on the fair market value of the realty which is _____.
 - (c) The fee is computed on the fair market value of the realty as established for property tax purposes which is _____.
5. Check Yes or No to the following: A lien or encumbrance existed on the land, tenement, or realty before the transfer and remained on the land, tenement, or realty after the transfer. If "Yes," the amount of the outstanding balance of this lien or encumbrance is:
_____.
6. The deed recording fee is computed as follows:
 - (a) Place the amount listed in item 4 above here: _____
 - (b) Place the amount listed in item 5 above here: _____

(If no amount is listed, place zero here.)

(c) Subtract Line 6(b) from Line 6(a) and place result here: _____

- 7. The deed recording fee due is based on the amount listed on Line 6(c) above and the deed recording fee due is: _____.
- 8. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as: Attorney for the purchaser.
- 9. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year, or both.

Responsible Person Connected with the Transaction



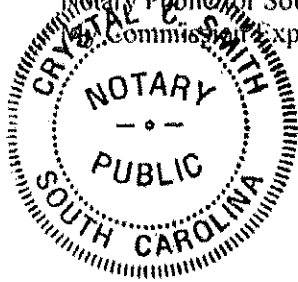
LOUIS H. LANG, Esquire

Print or Type Name Here

SWORN to before me this 30th day of September, 2015.



Notary Public for South Carolina
Commission Expires: 1-8-25



RECORDER'S PAGE



NOTE: This page **MUST** remain with the original document

Filed By:

CALLISON TIGHE & ROBINSON
 1812 LINCOLN STREET STE 200
 PO BOX 1390
 COLUMBIA, SC 29202-1390

RECORDED		
Date:	October 14, 2015	
Time:	10:02:25 AM	
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Charlie Lybrand, Register Charleston County, SC		

MAKER:

LAW FIRM FINANCE LLC

Note:

RECIPIENT:

EMERALD PORTFOLIO LLC

of Pages:

Original Book:

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Recording Fee	\$ 10.00
State Fee	<EXEMPT>
County Fee	<EXEMPT>
Extra Pages	\$ 1.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 11.00

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CLERK

AUDITOR STAMP HERE
RECEIVED From RMC

 OCT 15 2015

 Peter J. Tecklenburg
 Charleston County Auditor

PID VERIFIED BY ASSESSOR
 REP: ASTRJB
 DATE OCT 16 2015
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ROA 2577

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)
)
 First South Bank,)
)
 Plaintiff,)
)
 vs.)
)
 Tiger River Capital, LLC, Law Firm)
 Finance, LLC, Mariner's Cay Marina)
 Council of Co-Owners, Inc., and Mariner's)
 Cay Racquet and Yacht Club Homeowners)
 Asso., Inc.,)
)
 Defendants.)
)
 _____)

IN THE COURT OF COMMON PLEAS
 FOR THE NINTH JUDICIAL CIRCUIT
 CASE NO.: 2013-CP-10-850

Answer

BY _____
 JULIE J. ARMSTRONG
 CLERK OF COURT
 2013 APR -3 PM 12:19

FILED

Defendant Mariner's Cay Marina Council of Co-Owners, Inc., answering the Complaint of the Plaintiff in the above-referenced matter, would respectfully allege and show as follows:

1. Each and every allegation of Plaintiff's Complaint which is not hereinafter specifically admitted is denied and strict proof demanded thereof.
2. This Defendant admits upon information and belief the allegations of Paragraphs 1-5 of Plaintiff's Complaint.
3. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraph 6 of Plaintiff's Complaint, craves reference to the Note mentioned therein for the terms and conditions thereof and therefore denies said Paragraph and demands strict proof thereof.
4. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraph 7 of Plaintiff's Complaint, craves reference to the Mortgage mentioned

therein for the terms and conditions thereof and therefore denies said Paragraph and demands strict proof thereof.

5. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraph 8 of Plaintiff's Complaint, craves reference to the Assignment of Rents mentioned therein for the terms and conditions thereof and therefore denies said Paragraph and demands strict proof thereof.

6. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraph 9 of Plaintiff's Complaint, craves reference to the Mortgage mentioned therein for the terms and conditions thereof and therefore denies said Paragraph and demands strict proof thereof.

7. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraph 10 of Plaintiff's Complaint, craves reference to the Assignment of Rents mentioned therein for the terms and conditions thereof and therefore denies said Paragraph and demands strict proof thereof.

8. The allegations of Paragraph 11 of Plaintiff's Complaint are admitted.

9. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraph 12 of Plaintiff's Complaint and therefore denies said Paragraph and demands strict proof thereof.

10. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraph 13 of Plaintiff's Complaint, craves reference to the Note and Mortgage(s) mentioned therein for the terms and conditions thereof and therefore denies said Paragraph and demands strict proof thereof.

11. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraph 14 of Plaintiff's Complaint, craves reference to the Note mentioned therein for the terms and conditions thereof and therefore denies said Paragraph and demands strict proof thereof.

12. No response is required to the allegations of Paragraph 15 of Plaintiff's Complaint.

13. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraph 16 of Plaintiff's Complaint and therefore denies said Paragraph and demands strict proof thereof.

14. In responding to the allegations of Paragraph 17 of Plaintiff's Complaint, this Defendant admits that it claims an interest and/or lien in the subject property by virtue of any assessments due pursuant to the Declaration of Protective Covenants or other governing documents of and for Mariner's Cay Marine Council of Co-Owners, Inc. filed in the office of the RMC for Charleston County and any amendments thereto. Further, this Defendant affirmatively asserts that it filed the liens as asserted therein. Any remaining allegations of said Paragraph are denied and strict proof demanded thereof.

15. Upon information and belief, no response is required to the allegations of Paragraph 18 of Plaintiff's Complaint. To the extent that a response is required, this Defendant denies so much of said allegations as may be adverse to its interests.

16. This Defendant is without sufficient information or knowledge to admit or deny the allegations of Paragraphs 19-30 of Plaintiff's Complaint as regards the Village Note and therefore denies said Paragraphs and demands strict proof thereof.

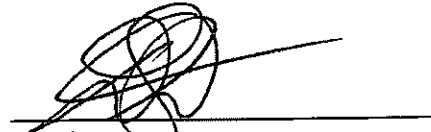
17. In responding to the allegations of Paragraph 31 of Plaintiff's Complaint, this

Defendant admits that it claims an interest and/or lien in the subject property by virtue of any assessments due pursuant to the Declaration of Protective Covenants or other governing documents of and for Mariner's Cay Marine Council of Co-Owners, Inc. filed in the office of the RMC for Charleston County and any amendments thereto. Further, this Defendant affirmatively asserts that it filed the liens as asserted therein. Any remaining allegations of said Paragraph are denied and strict proof demanded thereof.

18. In responding to the allegations of Paragraph 32 of Plaintiff's Complaint, this Defendant admits that it claims an interest and/or lien in the subject property by virtue of any assessments due pursuant to the Declaration of Protective Covenants or other governing documents of and for Mariner's Cay Marine Council of Co-Owners, Inc. filed in the office of the RMC for Charleston County and any amendments thereto. Further, this Defendant affirmatively asserts that it filed the liens as asserted therein. Any remaining allegations of said Paragraph are denied and strict proof demanded thereof.

19. This Defendant requests that any surplus funds be distributed to pay its liens as to the most current balance due at the time of said payment.

Wherefore, having fully answered Plaintiff's Complaint, Defendant Mariner's Cay Marine Council of Co-Owners, Inc. prays that this Honorable Court inquire into the matters set forth herein and that Plaintiff's Complaint be dismissed as to it, that it be awarded judgment against co-Defendants Tiger River and Law Firm in the amount of any fees or assessments due, that its liens be recognized and paid in full as to the most current balance owed when paid, plus any additional and outstanding fees or assessments due after the date of this answer, together with attorneys fees and the cost of the action, and for such other and further relief as may be deemed just and proper.



Derek F. Dean
Law Offices of Simons & Dean
147 Wappoo Creek Drive, Suite 604
Charleston, SC 29412
843-762-9132

ATTORNEY FOR DEFENDANT
MARINER'S CAY MARINA COUNCIL
OF CO-OWNERS, INC.

April 7, 2013
Charleston, SC

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true copy of the foregoing pleading has been served upon opposing counsel mailing a copy properly addressed with sufficient postage affixed thereto this 7 day of April, 2013.

LAW OFFICES OF SIMONS & DEAN

BY: 

SIMONS & DEAN

ATTORNEYS AT LAW

147 WAPPOO CREEK DRIVE, SUITE 604 | CHARLESTON, SC 29412 | 843.762.9132 | FAX: 843.406.9913

Keating L. Simons, III klsimons@charlestonattorneys.net
Derek F. Dean dfdean@charlestonattorneys.net

April 1, 2013

The Honorable Julie Armstrong
Charleston County Clerk of Court
106 Judicial Center
100 Broad Street
Charleston, SC 29401

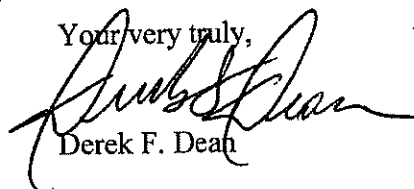
RE: *First South Bank v. Tiger River Capital, LLC, et al.*
Case No.: 2013-CP-10-850

Dear Julie:

Please find enclosed an original and one copy of Defendant Mariner's Cay Marina Council of Co-Owners, Inc.'s Answer to Plaintiff's Complaint in the above-referenced matter. Upon filing, please return a clocked-in copy to me in the self addressed and stamped envelope enclosed herein. By copy of this letter to Plaintiff's counsel, I am serving him with a copy of this pleading. If you have any questions, please do not hesitate to contact me.

With best regards, I am

Your very truly,



Derek F. Dean

DFD/

Enclosures

cc: Louis H. Lang, Esq. (w/enc.)
Mr. Collin Bruner (via facsimile only w/o enc.)

ROA 2583

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STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)
)
 Emerald Portfolio, LLC)
)
 Plaintiff,)
)
 v.)
)
 Tiger River Capital, LLC, Law)
 Firm Finance, LLC, Mariner's Cay)
 Marina Council of Co-Owners, Inc.,)
 and Mariner's Cay Racquet and)
 Yacht Club Homeowners Asso.,)
 Inc.,)
)
 Defendants.)

IN THE COURT OF COMMON PLEAS
 FOR THE NINTH JUDICIAL CIRCUIT

C/A No. 2013-CP-10-850

**ORDER OF JUDGMENT FOR
 FORECLOSURE AND SALE**
 (Deficiency Judgment Demanded)

FILED
 2015 MAR 16 AM 9:43
 JULIE J. ARMSTRONG
 CLERK OF COURT

FILED
 2015 MAR -3 2:01
 JULIE J. ARMSTRONG
 CLERK OF COURT
 Clocked in date
 BY

Pursuant to Rule 53, SCRPC, the above-entitled matter was referred to the undersigned to make appropriate findings of fact and conclusions of law with authority to enter a final judgment in the cause, and any appeal therefrom shall be directed to the South Carolina Court of Appeals.

Pursuant to the said Consent Order of Reference and Consent Order Extending Order of Reference, a hearing was held on January 15, 2015. Present at the hearing was counsel for the Plaintiff, Louis H. Lang, Esquire. No appearances were made on behalf of any of the Defendants, despite notice being given of the time and place.

Based upon the submission of counsel, and the matters of record, I find and conclude as a matter of fact as follows:

FINDINGS OF FACT

1. The Lis Pendens, Summons and Complaint were filed in the Office of the Clerk of Court for Charleston County on February 12, 2013.



2. Service was made upon the Defendants named in this Order as shown by the affidavits of service on file with the Court.

3. Defendants Tiger River Capital, LLC and Law Firm Finance, LLC are in default as evidenced by those Affidavits of Default filed in the Office of the Clerk of Court on April 15, 2013 and May 6, 2013.

4. Defendants Mariner's Cay Marina Council of Co-Owners, Inc. and Mariner's Cay Racquet & Yacht Club Homeowners Asso., Inc. filed their respective Answer to Plaintiff's Complaint in the Office of the Clerk of Court.

5. The Defendants were notified of the time, date and place of the hearing in this matter.

6. Plaintiff, Emerald Portfolio, LLC is a limited liability company organized and existing under the laws of the State of Delaware and doing business in the County of Charleston, State of South Carolina. Plaintiff is the owner and holder of the note and the mortgagee on the real properties which are the subject of this action ("Subject Property").

7. Defendants, Tiger River Capital, LLC ("Tiger River") and Law Firm Finance, LLC ("Law Firm") are limited liability companies organized and existing pursuant to the laws of the State of Georgia, doing business and owning property in the County of Charleston, State of South Carolina. Tiger River and Law Firm were administratively dissolved by the Georgia Secretary of State on August 22, 2011.

8. Defendants, Mariner's Cay Council of Co-Owners, Inc. and Mariner's Cay Racquet and Yacht Club Homeowners Association, Inc., are corporations organized and existing pursuant to the laws of the State of South Carolina, doing business in the County of Charleston.

9. The Subject Property is situate in the County of Charleston, in the State of South

Carolina.

10. Jurisdiction and venue are proper in the Court of Common Pleas for the County of Charleston, State of South Carolina and this Court has jurisdiction over this matter pursuant to the Consent Order of Reference filed on July 12, 2013, and the Consent Order Extending Order of Reference filed on December 16, 2014.

11. For value received, Defendants Tiger River and Law Firm made, executed and delivered a Promissory Note ("Note") in writing dated December 22, 2009, promising thereby to pay to the order of the Plaintiff, the sum of Four Hundred Thousand and no/100 (\$400,000.00) dollars with interest at a rate of sixteen and 00/100ths (16.00%) percent per annum. Said Note is justly due and owing to the Plaintiff.

12. To secure payment of the Note, Defendant Tiger River, made, executed and delivered its Assignment of Rents in writing dated December 22, 2009 and recorded on December 22, 2009 in Book 0098 at Page 568 in the Office of the Register of Deeds for Charleston County.

13. To secure payment of the Note, Defendant Tiger River made, executed and delivered its Mortgage ("Units 1-A and 1-B First Mortgage") dated December 22, 2009 and recorded on December 22, 2009 in Book 0098 at Page 567 in the Office of the Register of Deeds for Charleston County. Plaintiff is the owner and holder of the Note and the Units 1-A and 1-B First Mortgage.

14. Units 1-A and 1-B First Mortgage constitutes a valid first priority lien on the property described therein.

15. To secure payment of the Note, Defendant Law Firm, made, executed and delivered its Assignment of Rents in writing dated December 22, 2009 and recorded on December 22, 2009 in Book 0098 at Page 564 in the Office of the Register of Deeds for Charleston County.

16. To secure payment of the Note, Defendant Law Firm made, executed and delivered its Mortgage ("Units C-21 and C-22 First Mortgage") dated December 22, 2009 and recorded on December 22, 2009 in Book 0098 at Page 561 in the Office of the Register of Deeds for Charleston County. Plaintiff is the owner and holder of the Note and the Units C-21 and C-22 First Mortgage.

17. Units C-21 and C-22 First Mortgage constitutes a valid first priority lien on the property described therein.

18. Payment due on the Note and Units 1-A and 1-B and Units C-21 and C-22 First Mortgages ("First Mortgages") has not been made as provided for therein, and Plaintiff, has elected to require immediate payment of the entire amount due thereon and has placed the Note and First Mortgages in the hands of the attorneys of record herein for collection by foreclosure.

19. Based upon the affidavit submitted by counsel for the Plaintiff, and having given due consideration to the factors set forth in Dedes v. Strickland, 307 S.C. 155, 414 S.E.2d 134 (1992), I find that an award of attorney's fees in the amount of \$7,500.00 is a reasonable amount to allow as attorney fees for Plaintiff's attorney for services performed and anticipated to be performed until final adjudication of the within action under the terms of the Note and First Mortgages.¹ I also find that the amount of \$1,904.50 should be awarded to the Plaintiff as costs of collection, again based upon the affidavit of counsel submitted herewith.

20. The amount due and owing on the Note and Units 1-A and 1-B and Units C-21 and C-22 First Mortgages, with interest at the rate provided in the Note, and other costs and expenses of

¹ See Dedes v. Strickland, 307 S.C. at 160, 414 S.E.2d at 137 (1992) ("Where a contract provides for reasonable attorney's fees without specifying a rate or amount, the issue of attorney's fees is left to the discretion of the trial judge and will not be reversed on appeal unless there is a showing of an abuse of discretion. Factors to consider by the trial court in making a determination as to attorneys fees are: 1) The nature, extent and difficulty of the legal services rendered; 2) the time and labor necessarily devoted to the case; 3) the professional standing of counsel; 4) the contingency of compensation; 5) the fee customarily charged in the locality for similar legal services; and 6) the beneficial result obtained.")

collection, including an attorney's fee, secured by the Note and First Mortgages, is as follows:

a.	Principal	\$400,000.00
b.	Interest through 01/15/2015 at a rate of 16.00% per annum	\$168,133.28
c.	Late Fees	\$5,747.91
d.	Inspection Fees paid	\$105.00
e.	Real Property Taxes paid	\$13,652.10
f.	Legal Fees paid prior to foreclosure for collection purposes	\$1,656.34
g.	Costs of collection	\$1,904.50
h.	Attorney's fees	\$7,500.00
	Total Debt secured by Note and Mortgages, including interest to date shown	\$598,699.13

Together with interest thereon for the period from the date shown in (b) above through the date of this judgment at the rate set forth in the Note, attorney's fees and costs of collection, all provided for in the Note. Interest after the date of this judgment continues to accrue at the rate of sixteen and 00/100ths (16.00%) percent per annum (pursuant to the terms of the Note) on the judgment debt and should be added to such judgment debt to comprise the amount of Plaintiff's debt secured by the Note and First Mortgages through the date to which such interest is computed.

21. Plaintiff has specifically demanded its right to a deficiency judgment against Defendants Tiger River and Law Firm. Plaintiff has further reserved the right to waive deficiency judgment ~~any time before sale.~~ *up to seven (7) days prior to the sale.*

22. The Defendants below named claim or may claim a lien upon or interest in the

Subject Properties by virtue of the matters and things hereinbelow alleged and in the event there is a surplus from the sale of the subject property, the validity, priority and amount of any such lien claim will be determined at a hearing subsequent to the sale, in accordance with Rule 71 (c) SCRPC.

A. Defendant Mariner's Cay Marina Council of Co-Owners, Inc., may claim an interest in the property encumbered by the Units 1-A and 1-B and C-21 and C-22 First Mortgages by way of those certain liens dated July 8, 2010 and filed July 13, 2010 in the Office of the RMC for Charleston County at Book 0132, pages 971, 972, 973 and 974, but such interest is junior and subordinate to the Units 1-A and 1-B and C-21 and C-22 First Mortgages.

B. Defendant Mariner's Cay Racquet and Yacht Club Homeowners Association, Inc., is made a party to this action by virtue of any interest it may have in the property encumbered by the Units 1-A and 1-B and C-21 and C-22 First Mortgages. Any interest in the Subject Properties that Defendant Mariner's Cay Racquet and Yacht Club Homeowners Association, Inc. may have or claim is junior and subordinate to the Units 1-A and 1-B and C-21 and C-22 First Mortgages.

CONCLUSIONS OF LAW

1. The Plaintiff's First Mortgages are declared valid first priority liens on the Subject Properties, and Plaintiff should have judgment of foreclosure of the First Mortgages and the mortgaged properties should be ordered sold at public auction after due advertisement.

2. Any interest claimed by Defendants Mariner's Cay Marina Council of Co-Owners, Inc. and Mariner's Cay Racquet & Yacht Club Homeowners Asso., Inc. is junior and subordinate to the Plaintiff's First Mortgages.

3. There is due to the Plaintiff on the Note and First Mortgages set forth in the Complaint the sum of Five Hundred Ninety-Eight Thousand Six Hundred Ninety-Nine and 13/100s

(\$598,699.13) dollars, representing the total debt due Plaintiff as set forth above, together with interest at the rate provided therein on the balance of principal from the date aforesaid to the date hereof along with attorney fees and costs.

4. The amount due in the preceding paragraph (hereinafter "Mortgage Debt" together with later accrued interest on the principal) shall constitute the total judgment debt due Plaintiff as to the Note and First Mortgages and shall bear interest hereafter at the rate of sixteen and 00/100ths (16.00%) percent per annum as provided for in the Note and First Mortgages.

5. Defendants Tiger River and Law Firm are jointly and severally liable for the aforesaid Mortgage Debt and shall, on or before the date of sale of the property hereinafter described, pay to Plaintiff, or Plaintiff's attorney, the amount of Plaintiff's debt as aforesaid, together with the costs and disbursements of this action.

6. On default of payment at or before the time herein indicated, the mortgaged premises described in the Complaint, as hereinafter set forth, shall be sold by the Master-in-Equity, or otherwise appointed sales officer, at public auction at the Charleston County Judicial Center on some convenient sales day hereafter (and should the regular day of judicial sales fall on a legal holiday, then and in such event the sales day shall be on Tuesday next succeeding each holiday) on the following terms:

A. FOR CASH: The Master-in-Equity will require a deposit of 5% on the amount of the bid (in cash or equivalent) at time of bid, same to be applied on the purchase price only upon compliance with the bid, but in the case of non-compliance within thirty (30) days, same to be forfeited and applied to the costs and Plaintiff's debt.

B. Interest on the balance of the bid shall be paid to the day of compliance

at the rate of sixteen and 00/100ths (16.00%) percent per annum per the Note.

C. The sale shall be subject to real property taxes and assessments, existing easements and restrictions of record.

D. The purchaser is to pay for deed stamps and costs of recording the deed.

7. A personal or deficiency judgment having been demanded, bidding shall remain open for thirty (30) days after the date of sale, with the sale to be final upon that date.

8. If Plaintiff is the successful bidder at sale for a sum not exceeding the amount of costs, expenses and the indebtedness of Plaintiff in full, Plaintiff may pay the Master-in-Equity only the amount of costs and expenses, crediting the balance of the bid on Plaintiff's indebtedness.

9. That the Master-in-Equity will, by advertisement according to law, give notice of the time and place of sale and the terms thereof and will execute to the Purchaser, or Purchasers, a deed to the premises sold. The Plaintiff, or any other party to this action, may become a purchaser at such sale, and if, upon such sale being made, the Purchaser, or Purchasers, should fail to comply with the terms thereof within thirty (30) days after the date of sale, the Master-in-Equity may advertise the said premises for sale on the next of some other subsequent sales day at the risk of the highest bidder, and so from time to time thereafter until a full compliance shall be secured.

10. That the Master-in-Equity will apply the proceeds of the sale as follows:

FIRST: To the payment of the amount of the costs and expenses of this action, including plaintiff's attorney fees and including any Guardian ad Litem fees of attorneys appointed under Order of Court;

NEXT: To the payment to the Plaintiff, or Plaintiff's attorney, of the amount of Plaintiff's debt and interest or so much thereof as the purchase money will pay on same.

NEXT: Any surplus will be held pending further Order of this Court.

11. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that in the event the successful bidder is other than the Defendant in possession herein, the Sheriff of Charleston County, upon the presentation of a Writ of Assistance, is ordered and directed to eject and remove from the premises the occupants of the property sold, together with all personal property located therein, and put the successful bidder or his assigns in full, quiet and peaceable possession of said premises without delay, and to keep the successful bidder or his assigns in such peaceable possession. Pursuant to S.C. Code Ann. Sec. 27-40-710, personal property will be placed on the street or public highway for disposal, and removed after forty-eight hours. All valid Tenant Rights pursuant to Protecting Tenants at Foreclosure Act of 2009 shall be protected.

12. IT IS FURTHER ORDERED, ADJUDGED AND DECREED that each Defendant named herein and all persons whosoever claiming under him, be forever barred and foreclosed of all right, title, interest and equity of redemption in the said Mortgaged premises so sold, or any part thereof.

13. IT IS FURTHER ORDERED that the deed of conveyance made pursuant to said sale shall contain the names of only the first-named Plaintiff and the first-named Defendant, and the Defendant who was the titleholder of the Mortgaged property at the time of filing of the notice of pendency of the within action and the name of the grantee, and the Register of Deeds is authorized to omit from the indices pertaining to such conveyance the names of all parties not contained in said deed.

14. The undersigned Master-in-Equity will retain jurisdiction to do all necessary acts incident to this foreclosure, including, but not limited to, the issuance of a Writ of Assistance, and

Supplementary Proceedings, and Writs of Attachment without further notice to the Mortgagor and disposing of any surplus funds pursuant to Rule 71 (c), SCRPC.

15. This case was referred to the Master-in-Equity for Charleston County to direct entry of final judgment in this action under Rule 53, SCRPC. Any appeal from the final judgment entered by the Master-in-Equity shall be directly to the South Carolina Court of Appeals.

16. The mortgage loan which is the subject of this action is in no way affiliated with Fannie Mae or Freddie Mac nor is the Plaintiff a participating member of the Home Affordable Modification Program.

17. Further, since this foreclosure action involves a commercial note and mortgages, and the Subject Properties are not, upon information and belief, owner-occupied by the Mortgagor(s), this foreclosure action is not subject to the provisions of the Administrative Order issued on May 2, 2011, by the Honorable Jean H. Toal of The Supreme Court of South Carolina.

18. The following is a description of the premises herein ordered to be sold:

PARCEL 1 AND 2

Dock Unit C21 and C22 Mariners Cay HPR, an HPR established pursuant to South Carolina HPR Act SC Code Section 27-31-10 et seq. and submitted by Master Deed of Mariners Cay HPR dated May 11, 2006, and recorded in the Charleston County RMC Office in Book V583, at Page 584, as amended by that Master Deed of Mariners Cay HPR, recorded in Book X618, at Page 603, as shown and delineated on that certain plat entitled "Exhibit B" to the Master Deed of Mariners Cay HPR "Survey showing ships store, Easement and Marina Facilities Mariners Cay Marina at Mariners Cay, City of Folly Beach, Charleston County, South Carolina, dated December 27, 2005, revised April 28, 2006" and recorded in the Charleston County RMC Office as Exhibit B of the aforementioned Master Deed.

TMS#328-00-00-507 - Unit C-21 (Parcel 1)
TMS#328-00-00-508 - Unit C-22 (Parcel 2)

PARCEL 3 AND 4

All right title and interest in and to any and all real property rights permits licenses structures fixtures facilities and other associated items comprising the building consisting of a two story wood frame structure on timber piles commonly known as the Ship Store containing Commercial Unit 1-A on the first floor plus a wood ramp and wooden decking and Commercial Unit 1-B on the second floor said real estate being located on the northern banks of the Folly River to the West of Folly Road between the said Folly Road and Stono River in the County of Charleston, State of South Carolina, described more fully in that certain title to real estate dated May 16, 2007, and recorded in the Charleston County RMC Office for Charleston County in Book A626 at Page 629 (originally assigned TMS#328-00-00-109).

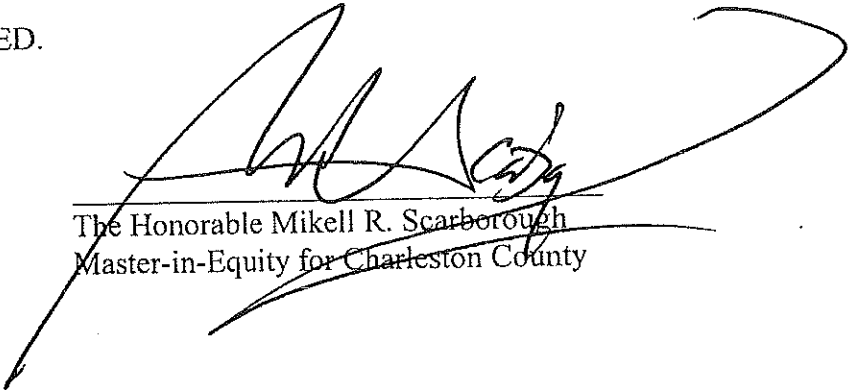
TMS#328-00-00-544 - Unit 1-A (Parcel 3)

TMS#328-00-00-545 - Unit 1-B (Parcel 4)

19. If the Plaintiff or the Plaintiff's representative does not appear at the scheduled sale of the above-referenced property, then the sale of the property will be null and void and of no force and effect. In such event, the sale will be rescheduled for the next available sales day.

AND IT IS SO ORDERED.

Charleston, South Carolina
2/27, 2015


The Honorable Mikell R. Scarborough
Master-in-Equity for Charleston County

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT

Emerald Portfolio, LLC)
)
Plaintiff,)

C/A No. 2013-CP-10-850

v.)

TRANSCRIPT OF TESTIMONY
(Deficiency Judgment Demanded)

Tiger River Capital, LLC, Law)
Firm Finance, LLC, Mariner's Cay)
Marina Council of Co-Owners, Inc.,)
and Mariner's Cay Racquet and)
Yacht Club Homeowners Asso.,)
Inc.,)
)
Defendants.)

FILED
2015 MAR -3 PM 2:51
JULIE J. ARMSTRONG
CLERK OF COURT

Pursuant to the Consent Order of Reference and the Consent Order Extending Order of Reference granted in the above entitled cause, a Reference was held before the Honorable Mikell R. Scarborough, Master-in-Equity for Charleston County, on the 15th day of January, 2015, attended by Louis H. Lang, attorney for Plaintiff. No appearances were made on behalf of any of the Defendants, despite notice being given of the time and place.

BY THE MASTER: Louis H. Lang, counsel for the Plaintiff, calls attention to the filing of the Lis Pendens, Summons and Complaint in the Office of the Clerk of Court for Charleston County on February 12, 2013;

Mr. Lang also calls attention to the sworn Affidavits of Service evidencing service being made on the Defendants;

Counsel for the Plaintiff also calls attention to the filing of those respective Answers to Plaintiff's Complaint by Defendants Mariner's Cay Marina Council of Co-Owners, Inc. and Mariner's Cay Racquet & Yacht Club Homeowners Association, Inc.;

Mr. Lang also calls attention to the filing of those certain Affidavits of Default in the Office of the Clerk of Court evidencing that Defendants Tiger River Capital, LLC and Law Firm Finance, LLC have failed to file Answers or any other pleadings as required and are in default;

Counsel for the Plaintiff also calls attention to the Consent Order of Reference filed July 12, 2013, wherein the above-entitled cause was referred to the Honorable Mikell R. Scarborough, Master-in-Equity for Charleston County, for the purpose of taking testimony and making findings of fact and conclusions of law, and to enter a final judgment and decree in this matter;

Counsel for the Plaintiff also calls attention to the filing of the Consent Order Extending Order of Reference in the Office of the Clerk of Court for Charleston County on December 16, 2014;

Mr. Lang also calls attention to the filing of the Consent Order Substituting Plaintiff in the Office of the Clerk of Court for Charleston County on January 13, 2015, and the subsequent Corrective Consent Order Substituting Plaintiff wherein Emerald Portfolio, LLC was substituted for First South Bank as Plaintiff;

WHEREUPON, Louis H. Lang, BEING DULY SWORN, TESTIFIES AS FOLLOWS:

I am an attorney for the Plaintiff in this action.

From the records in my possession and from the Complaint herein and from examination of the records in the office of the Register of Deeds for Charleston County, I find that on or about the 22nd day of December 2009, Defendants Tiger River Capital, LLC and Law Firm Finance, LLC made, executed and delivered, to Plaintiff that certain Promissory Note ("Note"), promising to pay, jointly and severally, to the order of the Plaintiff, the sum of Four Hundred Thousand and no/100 (\$400,000.00) dollars, together with interest thereon at the rate set forth in the Note. Said Note is justly due and owing to the Plaintiff.

I offer a copy of the Note into evidence.

Note identified, offered and received in evidence as Exhibit "A."

I call attention to the provisions of the Note with reference to default.

I also call the Court's attention to the provisions in the Note with reference to payment of costs of collection and attorney's fees.

Further, Defendant Tiger River Capital, LLC, did, on or about December 22, 2009, make, execute and deliver its certain Assignment of Rents, which was recorded on December 22, 2009 in Book 0098 at Page 568 in the Office of the Register of Deeds for Charleston County.

I offer a copy of the Assignment of Rents into evidence as Exhibit "B."

I call attention to the provisions of the Assignment of Rents with reference to default.

I also call the Court's attention to the provisions in the Assignment of Rents with reference to payment of costs of collection and attorney's fees.

To better secure payment of said Note, Defendant Tiger River Capital, LLC made, executed and delivered its Mortgage ("Units 1-A and 1-B First Mortgage") in writing dated December 22, 2009 and recorded on December 22, 2009 in Book 0098 at Page 567 in the Office of the Register of Deeds for Charleston County.

I offer a copy of the Units 1-A and 1-B First Mortgage into evidence.

Units 1-A and 1-B First Mortgage identified, offered and received in evidence as Exhibit "C."

I call attention to the provisions of the Units 1-A and 1-B First Mortgage with reference to default.

I also call the Court's attention to the provisions in the Units 1-A and 1-B First Mortgage with reference to payment of costs of collection and attorney's fees.

The Units 1-A and 1-B First Mortgage constitutes a valid first priority lien on the below described real property ("Units 1-A and 1-B First Mortgage Subject Property"):

All right title and interest in and to any and all real property rights permits licenses structures fixtures facilities and other associated items comprising the building consisting of a two story wood frame structure on timber piles commonly known as the Ship Store containing Commercial Unit 1-A on the first floor plus a wood ramp and wooden decking and Commercial Unit 1-B on the second floor said real estate being located on the northern banks of the Folly River to the West of Folly Road between the said Folly Road and Stono River in the County of Charleston, State of South Carolina, described more fully in that certain title to real estate dated May 16, 2007, and recorded in the Charleston County RMC Office for Charleston County in Book A626 at Page 629 (originally assigned TMS#328-00-00-109).

TMS#328-00-00-544 - Unit 1-A (Parcel 3)

TMS#328-00-00-545 - Unit 1-B (Parcel 4)

To further secure payment of said Note, Defendant Law Firm Finance, LLC, did, on or about December 22, 2009, make, execute and deliver its certain Assignment of Rents, which was recorded on December 22, 2009 in Book 0098 at Page 564 in the Office of the Register of Deeds for Charleston County.

I offer a copy of the Assignment of Rents into evidence as Exhibit "D."

I call attention to the provisions of the Assignment of Rents with reference to default.

I also call the Court's attention to the provisions in the Assignment of Rents with reference to payment of costs of collection and attorney's fees.

To further secure payment of said Note, Defendant Law Firm Finance, LLC made, executed and delivered its Mortgage ("Units C-21 and C-22 First Mortgage") in writing dated December 22, 2009 and recorded on December 22, 2009 in Book 0098 at Page 561 in the Office of the Register of Deeds for Charleston County.

I offer a copy of the Units C-21 and C-22 First Mortgage into evidence.

Units C-21 and C-22 First Mortgage identified, offered and received in evidence as Exhibit "E."

I call attention to the provisions of the Units C-21 and C-22 First Mortgage with reference to default.

I also call the Court's attention to the provisions in the Units C-21 and C-22 First Mortgage with reference to payment of costs of collection and attorney's fees.

The Units C-21 and C-22 First Mortgage constitutes a valid first priority lien on the below described real property ("Units C-21 and C-22 First Mortgage Subject Property"):

Dock Unit C21 and C22 Mariners Cay HPR, an HPR established pursuant to South Carolina HPR Act SC Code Section 27-31-10 et seq. and submitted by Master Deed of Mariners Cay HPR dated May 11, 2006, and recorded in the Charleston County RMC Office in Book V583, at Page 584, as amended by that Master Deed of Mariners Cay HPR, recorded in Bok X618, at Page 603, as shown and delineated on that certain plat entitled "Exhibit B" to the Master Deed of Mariners Cay HPR "Survey showing ships store, Easement and Marina Facilities Mariners Cay Marina at Mariners Cay, City of Folly Beach, Charleston County, South Carolina, dated December 27, 2005, revised April 28, 2006" and recorded in the Charleston County RMC Office as Exhibit B of the aforementioned Master Deed.

TMS#328-00-00-507 - Unit C-21 (Parcel 1)
TMS#328-00-00-508 - Unit C-22 (Parcel 2)

The monthly payments due on said Note and First Mortgages are in default, and the conditions of said Note and First Mortgages have been broken, and the Plaintiff elects to, and has declared the entire balance of said indebtedness due and payable, and as of January 15, 2015, the following amounts are due under the terms of the Note and First Mortgages:

a.	Principal	\$400,000.00
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b.	Interest through 01/15/2015 at a rate of 16.00% per annum	\$168,133.28
c.	Late Fees	\$5,747.91
d.	Inspection Fees paid	\$105.00
e.	Real Property Taxes paid	\$13,652.10
f.	Legal Fees paid prior to foreclosure for collection purposes	\$1,656.34
g.	Costs of collection	\$1,904.50
h.	Attorney's fees	\$7,500.00
	Total Debt secured by Note and Mortgages, including interest to date shown	\$598,699.13

I offer a copy of the Affidavit of Debt from Plaintiff into evidence.

Affidavit of Debt identified, offered and received in evidence as Exhibit "F."

Together with interest through the date of this judgment at the rate set forth in the Note, attorney's fees and costs of collection, all provided for in the Note. Interest after the date of this judgment continues to accrue at the rate of sixteen and 00/100 (16.00%) percent per annum (pursuant to the terms of the Note) on the judgment debt and should be added to such judgment debt to comprise the amount of Plaintiff's debt secured by the Note through the date to which such interest is computed.

The following Defendants may claim a lien upon or interest in the Subject Property by virtue of the matters and things hereinbelow alleged:

A. Defendant Mariner's Cay Marina Council of Co-Owners, Inc., may claim an interest in the property encumbered by the Units 1-A and 1-B and C-21 and C-22 First Mortgages by way

of those certain liens dated July 8, 2010 and filed July 13, 2010 in the Office of the RMC for Charleston County at Book 0132, pages 971, 972, 973 and 974, but such interest is junior and subordinate to the Units 1-A and 1-B and C-21 and C-22 First Mortgages.

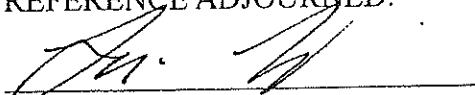
B. Defendant Mariner's Cay Racquet and Yacht Club Homeowners Association, Inc., is made a party to this action by virtue of any interest it may have in the property encumbered by the Units 1-A and 1-B and C-21 and C-22 First Mortgages. Any interest in the Subject Properties that Defendant Mariner's Cay Racquet and Yacht Club Homeowners Association, Inc. may have or claim is junior and subordinate to the Units 1-A and 1-B and C-21 and C-22 First Mortgages.

Plaintiff is specifically demanding its right to a deficiency judgment against Defendants Tiger River Capital, LLC and Law Firm Finance, LLC. Plaintiff further reserves the right to waive deficiency judgment any time before sale.

Plaintiff would respectfully submit that an award of an attorney's fee of \$7,500.00 and an award for costs of \$1,904.50 is appropriate and submits herewith and attaches hereto as Exhibit "G", an Affidavit of Attorneys Fees and Costs executed by Louis H. Lang, Esquire, with the firm, Callison Tighe and Robinson, LLC, the attorneys with principal responsibility for this action.


That, Your Honor, completes the Plaintiff's case and the Plaintiff rests.

REFERENCE ADJOURNED.



Louis H. Lang
Attorney for Plaintiff

SWORN to and subscribed before
me this 15 day of January, 2015.



Notary Public for South Carolina
My Commission Expires: 2/25/2018

PROMISSORY NOTE

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or term. Any item above containing **** has been omitted due to text length limitations.

Borrower: Tiger River Capital, LLC (TIN: 27-1444997)
Law Firm Finance, LLC (TIN: 27-1445202)
PO Box 70518
Albany, GA 31707

Lender: First South Bank
PO Box 2047
220 Crooksda
Washington, NC 27888

Date of Note: December 22, 2009

Principal Amount: \$400,000.00
PROMISE TO PAY. Tiger River Capital, LLC; and Law Firm Finance, LLC ("Borrower") jointly and severally promise to pay to First South Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of Four Hundred Thousand & 00/100 Dollars (\$400,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in accordance with the following payment schedule, which calculates interest on the unpaid principal balances as described in the "INTEREST CALCULATION METHOD" paragraph using the interest rates described in this paragraph: 6 monthly consecutive interest payments, beginning January 5, 2010, with interest calculated on the unpaid principal balance using an interest rate of 4.000% per annum based on a year of 360 days; 30 monthly consecutive principal and interest payments of \$2,435.85 each, beginning July 5, 2010, with interest calculated on the unpaid principal balance using an interest rate of 4.000% per annum based on a year of 360 days; and one principal and interest payment of \$367,167.70 on January 5, 2013, with interest calculated on the unpaid principal balance using an interest rate of 4.000% per annum based on a year of 360 days. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: First South Bank, PO Box 2047 Washington, NC 27888.

LATE CHARGE. If a payment is 15 days or more late, Borrower will be charged 6.000% of the unpaid portion of the regularly scheduled payment. This late charge shall be paid to Lender by Borrower to compensate Lender for Lender's extra costs and expenses caused by the late payment.

INTEREST AFTER DEFAULT. Upon default, at Lender's option, and if permitted by applicable law, Lender may add any unpaid accrued interest to principal and such sum will bear interest therefrom until paid at the rate provided in this Note (including any increased rate). Upon default, the interest rate on this Note shall be increased to 18.000% per annum based on a year of 360 days ("Default Rate"). If judgment is entered in the connection with this Note, interest will continue to accrue after the date of judgment at the Default Rate. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

- Payment Default. Borrower fails to make any payment when due under this Note.
Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.
Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.
False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.
Death or Insolvency. The dissolution of Borrower (regardless of whether dissolution to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.
Creditor or Foreclosure Proceedings. Commencement of foreclosure or foreclosure proceedings, whether by judicial proceeding, self-help repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or foreclosure proceeding and if Borrower gives Lender written notice of the creditor or foreclosure proceeding and deposits with Lender monies or a surety bond for the creditor or foreclosure proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Insolvency. Lender in good faith believes itself insolvent.

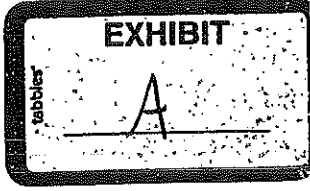
Cure Provisions. If any default, other than a default in payment to cureable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees, 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 will pay any court costs, in addition to all other sums provided by law.

JURY WAIVER. Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of



PROMISSORY NOTE
(Continued)

Page 2

Loan No: [REDACTED]

the State of North Carolina without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of North Carolina.

CHOICE OF VENUE. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Beaufort County, State of North Carolina.

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, at Lender's option, to by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by Deed of Trust, Assignment of Rents and NC Commercial Security Agreement of Even Date.

LINE OF CREDIT. This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

ARBITRATION. Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, shall also be arbitrated, provided claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall not be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

NO ADVANCES AFTER 6 MONTHS. If the term of the loan is greater than 6 months, no additional disbursement of funds will be allowed after 6 months from the date of the promissory note. A loan modification will be required if additional disbursements of funds are deemed necessary.

SUCCESSOR INTERESTS. 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.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note as its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forego enforcing any of its rights or remedies under this Note without losing them. Each Borrower understands and agrees that, with or without notice to Borrower, Lender may with respect to any other Borrower (a) make one or more additional secured or unsecured loans or otherwise extend additional credit; (b) alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of any indebtedness, including increases and decreases of the rate of interest on the indebtedness; (c) exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any security, with or without the substitution of new collateral; (d) apply such security and direct the order or manner of sale thereof, including without limitation, any non-judicial sale permitted by the terms of the controlling security agreements, as Lender in its discretion may determine; (e) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; and (f) determine how, when and what application of payments and credits shall be made on any other indebtedness owing by such other Borrower. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waives presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, EACH BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE. EACH BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

TIGER RIVER CAPITAL, LLC

By: 
Glenn A. Kirby, Manager of Tiger River Capital, LLC

LAW FIRM FINANCE, LLC

By: 
Glenn A. Kirby, Manager of Law Firm Finance, LLC

UNIFORM COMMERCIAL CODE, ARTICLE 9, SECTION 1-204, 1-205, 1-206, 1-207, 1-208, 1-209, 1-210, 1-211, 1-212, 1-213, 1-214, 1-215, 1-216, 1-217, 1-218, 1-219, 1-220, 1-221, 1-222, 1-223, 1-224, 1-225, 1-226, 1-227, 1-228, 1-229, 1-230, 1-231, 1-232, 1-233, 1-234, 1-235, 1-236, 1-237, 1-238, 1-239, 1-240, 1-241, 1-242, 1-243, 1-244, 1-245, 1-246, 1-247, 1-248, 1-249, 1-250, 1-251, 1-252, 1-253, 1-254, 1-255, 1-256, 1-257, 1-258, 1-259, 1-260, 1-261, 1-262, 1-263, 1-264, 1-265, 1-266, 1-267, 1-268, 1-269, 1-270, 1-271, 1-272, 1-273, 1-274, 1-275, 1-276, 1-277, 1-278, 1-279, 1-280, 1-281, 1-282, 1-283, 1-284, 1-285, 1-286, 1-287, 1-288, 1-289, 1-290, 1-291, 1-292, 1-293, 1-294, 1-295, 1-296, 1-297, 1-298, 1-299, 1-300, 1-301, 1-302, 1-303, 1-304, 1-305, 1-306, 1-307, 1-308, 1-309, 1-310, 1-311, 1-312, 1-313, 1-314, 1-315, 1-316, 1-317, 1-318, 1-319, 1-320, 1-321, 1-322, 1-323, 1-324, 1-325, 1-326, 1-327, 1-328, 1-329, 1-330, 1-331, 1-332, 1-333, 1-334, 1-335, 1-336, 1-337, 1-338, 1-339, 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1-626, 1-627, 1-628, 1-629, 1-630, 1-631, 1-632, 1-633, 1-634, 1-635, 1-636, 1-637, 1-638, 1-639, 1-640, 1-641, 1-642, 1-643, 1-644, 1-645, 1-646, 1-647, 1-648, 1-649, 1-650, 1-651, 1-652, 1-653, 1-654, 1-655, 1-656, 1-657, 1-658, 1-659, 1-660, 1-661, 1-662, 1-663, 1-664, 1-665, 1-666, 1-667, 1-668, 1-669, 1-670, 1-671, 1-672, 1-673, 1-674, 1-675, 1-676, 1-677, 1-678, 1-679, 1-680, 1-681, 1-682, 1-683, 1-684, 1-685, 1-686, 1-687, 1-688, 1-689, 1-690, 1-691, 1-692, 1-693, 1-694, 1-695, 1-696, 1-697, 1-698, 1-699, 1-700, 1-701, 1-702, 1-703, 1-704, 1-705, 1-706, 1-707, 1-708, 1-709, 1-710, 1-711, 1-712, 1-713, 1-714, 1-715, 1-716, 1-717, 1-718, 1-719, 1-720, 1-721, 1-722, 1-723, 1-724, 1-725, 1-726, 1-727, 1-728, 1-729, 1-730, 1-731, 1-732, 1-733, 1-734, 1-735, 1-736, 1-737, 1-738, 1-739, 1-740, 1-741, 1-742, 1-743, 1-744, 1-745, 1-746, 1-747, 1-748, 1-749, 1-750, 1-751, 1-752, 1-753, 1-754, 1-755, 1-756, 1-757, 1-758, 1-759, 1-760, 1-761, 1-762, 1-763, 1-764, 1-765, 1-766, 1-767, 1-768, 1-769, 1-770, 1-771, 1-772, 1-773, 1-774, 1-775, 1-776, 1-777, 1-778, 1-779, 1-780, 1-781, 1-782, 1-783, 1-784, 1-785, 1-786, 1-787, 1-788, 1-789, 1-790, 1-791, 1-792, 1-793, 1-794, 1-795, 1-796, 1-797, 1-798, 1-799, 1-800, 1-801, 1-802, 1-803, 1-804, 1-805, 1-806, 1-807, 1-808, 1-809, 1-810, 1-811, 1-812, 1-813, 1-814, 1-815, 1-816, 1-817, 1-818, 1-819, 1-820, 1-821, 1-822, 1-823, 1-824, 1-825, 1-826, 1-827, 1-828, 1-829, 1-830, 1-831, 1-832, 1-833, 1-834, 1-835, 1-836, 1-837, 1-838, 1-839, 1-840, 1-841, 1-842, 1-843, 1-844, 1-845, 1-846, 1-847, 1-848, 1-849, 1-850, 1-851, 1-852, 1-853, 1-854, 1-855, 1-856, 1-857, 1-858, 1-859, 1-860, 1-861, 1-862, 1-863, 1-864, 1-865, 1-866, 1-867, 1-868, 1-869, 1-870, 1-871, 1-872, 1-873, 1-874, 1-875, 1-876, 1-877, 1-878, 1-879, 1-880, 1-881, 1-882, 1-883, 1-884, 1-885, 1-886, 1-887, 1-888, 1-889, 1-890, 1-891, 1-892, 1-893, 1-894, 1-895, 1-896, 1-897, 1-898, 1-899, 1-900, 1-901, 1-902, 1-903, 1-904, 1-905, 1-906, 1-907, 1-908, 1-909, 1-910, 1-911, 1-912, 1-913, 1-914, 1-915, 1-916, 1-917, 1-918, 1-919, 1-920, 1-921, 1-922, 1-923, 1-924, 1-925, 1-926, 1-927, 1-928, 1-929, 1-930, 1-931, 1-932, 1-933, 1-934, 1-935, 1-936, 1-937, 1-938, 1-939, 1-940, 1-941, 1-942, 1-943, 1-944, 1-945, 1-946, 1-947, 1-948, 1-949, 1-950, 1-951, 1-952, 1-953, 1-954, 1-955, 1-956, 1-957, 1-958, 1-959, 1-960, 1-961, 1-962, 1-963, 1-964, 1-965, 1-966, 1-967, 1-968, 1-969, 1-970, 1-971, 1-972, 1-973, 1-974, 1-975, 1-976, 1-977, 1-978, 1-979, 1-980, 1-981, 1-982, 1-983, 1-984, 1-985, 1-986, 1-987, 1-988, 1-989, 1-990, 1-991, 1-992, 1-993, 1-994, 1-995, 1-996, 1-997, 1-998, 1-999, 1-1000

RECORDATION REQUESTED BY:



BP0098568

RMC BK 0099 Pg 568 : Pg 1 *

WHEN RECORDED MAIL TO:

First South Bank
PO Box 2047
220 Creekside
Washington, NC 27889

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS dated December 22, 2009, is made and executed between Tiger River Capital, LLC, whose address is 2405 Westgate Dr, Albany, GA 31707; a Limited Liability Company (referred to below as "Grantor") and First South Bank, whose address is PO Box 2047, 220 Creekside, Washington, NC 27889 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in Charleston County, State of South Carolina:

See Exhibit A, which is attached to this Assignment and made a part of this Assignment as if fully set forth herein.

The Property or its address is commonly known as 2 McDonough Rd., Folly Beach, SC 29439. The Property tax identification number is 328-00-00-544 & 328-00-00-545.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER AND GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Lender need not tell Borrower about any action or inaction Lender takes in connection with this Assignment. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Assignment.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that:

Ownership. Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.

Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.

Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance affected by Lender on the Property.

Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of South Carolina and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.

Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.

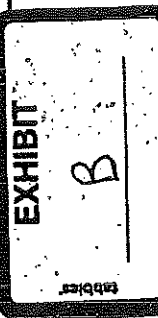
Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.

Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.

No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

ROA 2605



ASSIGNMENT OF RENTS
(Continued)

Loan No: 6800968668

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FULL PERFORMANCE. If Grantor pays all of the indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Assignment or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Assignment or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Rents or the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Assignment also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Assignment:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default on Other Payments. Failure of Grantor within the time required by this Assignment to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Borrower, any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's, any guarantor's or Grantor's property or ability to perform their respective obligations under this Assignment or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Assignment or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against the Rents or any property securing the indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Assignment within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, the amount owing on the Indebtedness and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Assignment:

ROA 2606

ASSIGNMENT OF RENTS
(Continued)

Loan No: 6800968668

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Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Caption Headings. Caption headings in this Assignment are for convenience purposes only and are not to be used to interpret or define the provisions of this Assignment.

Governing Law. With respect to procedural matters related to the perfection and enforcement of Lender's rights against the Property, this Assignment will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of South Carolina. In all other respects, this Assignment will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions. However, if there ever is a question about whether any provision of this Assignment is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction that is evidenced by the Note and this Assignment has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of North Carolina.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Beaufort County, State of North Carolina.

Joint and Several Liability. All obligations of Borrower and Grantor under this Assignment shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Assignment. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Assignment.

Merger. There shall be no merger of the interest or estate created by this assignment with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Assignment shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Assignment. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Assignment.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of South Carolina as to all Indebtedness secured by this Assignment.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

Assignment. The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

Borrower. The word "Borrower" means Tiger River Capital, LLC; and Law Firm Finance, LLC.

Default. The word "Default" means the Default set forth in this Assignment in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Assignment in the default section of this Assignment.

Grantor. The word "Grantor" means Tiger River Capital, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means all principal, earned interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Assignment, together with interest on such amounts as provided in this Assignment.

Lender. The word "Lender" means First South Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated December 22, 2009, in the original principal amount of \$400,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments.

ROA 2607

ASSIGNMENT OF RENTS
(Continued)

Loan No: 6800968668

Page 4

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agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Rents. The word "Rents" means all of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT, AND NOT PERSONALLY BUT AS AN AUTHORIZED SIGNER, HAS CAUSED THIS ASSIGNMENT TO BE SIGNED AND EXECUTED ON BEHALF OF GRANTOR ON DECEMBER 22, 2009.

GRANTOR:

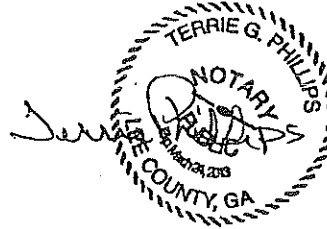
TIGER RIVER CAPITAL, LLC

By: [Signature]
Glenn A. Kirbo, Manager of Tiger River Capital, LLC

Signed, acknowledged and delivered in the presence of:

X [Signature]
Witness

X [Signature]
Witness



LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Georgia)
) SS
COUNTY OF Douglas)

PERSONALLY appeared before me and made oath that he or she saw the within-named Grantor(s) sign, seal, and, as his or her act and deed, deliver the within-written Assignment for the uses and purposes therein mentioned, and that he or she with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this 21st day of December, A.D. 2009
[Signature] (Seal)
Notary Public

[Signature]
(Witness)

My Commission expires: _____

EXHIBIT A

ALL RIGHT TITLE AND INTEREST IN A TO ANY AND ALL REAL PROPERTY RIGHTS PERMITS LICENCES STRUCTURES FIXTURES FACILITES AND OTHER ASSOCIATED ITEMS COMPRISING THE BUILDING CONSISTING OF A TWO STORY WOOD FRAME STRUCTURE ON TIMBER PILES COMMONLY KNOWN AS THE SHIP STORE CONTAINING COMMERCIAL UNIT 1-A ON THE FIRST FLOOR PLUS A WOOD RAMP AND WOODEN DECKING AND COMMERCIAL UNITL 1-B ON THE SECOND FLOOR SAID REAL ESTATE BEING LOCATED ON THE NORTHERN BANKS OF THE FOLLY RIVER TO THE WEST OF FOLLY ROAD BETWEEN THE SAID FOLLY ROAD AND STONO RIVER IN THE COUNTY OF CHARLESTON STATE OF SOUTH CAROLINA DESCRIBED MORE FULLY IN THAT CERTAIN TITLE TO REAL ESTATE DATED MAY 16, 2007 AND RECORDED IN THE CHARLESTON COUNTY RMC OFFICE FOR CHARLESTON COUNTY IN BOOK A626 AT PAGE 629 (ORIGINALLY ASSIGNED TMS#328-00-00-109).

BEING THE SAME PROPERTY CONVEYED TO TIGER RIVER CAPITAL BY DEED OF FLINT RIVER CAPITAL DATED FEBRUARY 27, 2009 AND RECORDED IN BOOK 0037 AT PAGE 844.

TMS#328-00-00-544 (2.0021% INTEREST IN COMMON ELEMENTS)- UNIT 1-A

TMS#328-00-00-545(1.0769% INTEREST IN COMMON ELEMENTS) -UNIT 1-B

RECORDER'S PAGE

NOTE: This page MUST remain with the original document



Filed By:

BEVON LAW FIRM
350-B FOLLY ROAD

CHARLESTON, SC 29412

RECORDED		
Date:	December 22, 2009	
Time:	2:14:40 PM	
<u>Book</u>	<u>Page</u>	<u>DocType</u>
0098	568	Asg/Etc
Charlie Lybrand, Register Charleston County, SC		

RMC BK 0098 Pg 568 : pg 6 *

MAKER:

TIGER RIVER CAPITAL LLC

RECIPIENT:

FIRST SOUTH BK

Original Book:

[]

Original Page:

[]

of Pages:
of Sats:
of References:

Note:

Recording Fee	\$ 10.00
Extra Reference Cost	\$ -
Extra Pages	\$ 1.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 11.00

DRAWER
CLERK



0098
Book



568
Page



12/22/2009
Recorded Date



6
Pgs



Original Book



Original Page



D
Doc Type



14:14:40
Recorded Time



BP0098567

RMC BK 0098 Pg 567 : pg 1

RECORDATION REQUESTED BY:

WHEN RECORDED MAIL TO:

First South Bank
PO Box 2047
220 Creekside
Washington, NC 27889

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

CONSTRUCTION MORTGAGE

THIS MORTGAGE dated December 22, 2009, is made and executed between Tiger River Capital, LLC, whose address is 2405 Westgate Dr, Albany, GA 31707; a Limited Liability Company (referred to below as "Grantor") and First South Bank, whose address is PO Box 2047, 220 Creekside, Washington, NC 27889 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Charleston County, State of South Carolina:

See Exhibit A, which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein.

The Real Property or its address is commonly known as 2 McDonough Rd., Folly Beach, SC 29439. The Real Property tax identification number is 328-00-00-544 & 328-00-00-545.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THIS MORTGAGE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF BORROWER'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN BORROWER AND LENDER OF EVEN DATE HERewith. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Mortgage and to hypothecate the Property; (c) the provisions of this Mortgage do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Borrower shall pay to Lender all Indebtedness secured by this Mortgage as it becomes due, and Borrower and Grantor shall strictly perform all Borrower's and Grantor's obligations under this Mortgage.

CONSTRUCTION MORTGAGE. This Mortgage is a "construction mortgage" for the purposes of Sections 9-334 and 2A-309 of the Uniform Commercial Code, as those sections have been adopted by the State of South Carolina.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for the Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

ROA 2611



Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

CONSTRUCTION LOAN. If some or all of the proceeds of the loan creating the indebtedness are to be used to construct or complete construction of any improvements on the Property, the improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. The Real Property is or will be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area. Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage; then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such

participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refilled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower and Grantor pay all the indebtedness when due, and Grantor otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Borrower fails to make any payment when due under the indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's ability to repay the indebtedness or Borrower's or Grantor's ability to perform their respective obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default and at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and, as mortgagee-in-possession, collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Appraisal. Grantor hereby waives the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained by Lender against Borrower in the event of foreclosure under this Mortgage.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Borrower or Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waive any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or Borrower and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the Indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees in an amount not less than fifteen percent (15%) of the amount owing on the Indebtedness and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

ASSOCIATION OF UNIT OWNERS. The following provisions apply if the Real Property has been submitted to unit ownership law or similar law for the establishment of condominiums or cooperative ownership of the Real Property:

Power of Attorney. Grantor grants an irrevocable power of attorney to Lender to vote in Lender's discretion on any matter that may come

before the association of unit owners. Lender shall have the right to exercise this power of attorney only after Grantor's default; however, Lender may decline to exercise this power as Lender sees fit.

Insurance. The insurance as required above may be carried by the association of unit owners on Grantor's behalf, and the proceeds of such insurance may be paid to the association of unit owners for the purpose of repairing or reconstructing the Property. If not so used by the association, such proceeds shall be paid to Lender.

Default. Grantor's failure to perform any of the obligations imposed on Grantor by the declaration submitting the Real Property to unit ownership, by the bylaws of the association of unit owners, or by any rules or regulations thereunder, shall be an event of default under this Mortgage. If Grantor's interest in the Real Property is a leasehold interest and such property has been submitted to unit ownership, any failure by Grantor to perform any of the obligations imposed on Grantor by the lease of the Real Property from its owner, any default under such lease which might result in termination of the lease as it pertains to the Real Property, or any failure of Grantor as a member of an association of unit owners to take any reasonable action within Grantor's power to prevent a default under such lease by the association of unit owners or by any member of the association shall be an Event of Default under this Mortgage.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Governing Law. With respect to procedural matters related to the perfection and enforcement of Lender's rights against the Property, this Mortgage will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of South Carolina. In all other respects, this Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions. However, if there ever is a question about whether any provision of this Mortgage is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction that is evidenced by the Note and this Mortgage has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of North Carolina.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Beaufort County, State of North Carolina.

Joint and Several Liability. All obligations of Borrower and Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Mortgage. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Mortgage.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of South Carolina as to all indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Tiger River Capital, LLC; and Law Firm Finance, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means Tiger River Capital, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the

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Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, earned interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means First South Bank, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated December 22, 2009, in the original principal amount of \$400,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of this Mortgage is January 5, 2013.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

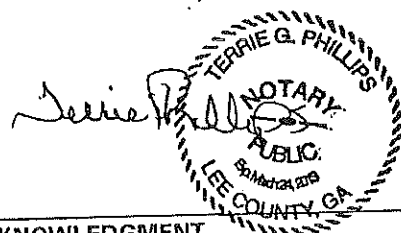
GRANTOR:

TIGER RIVER CAPITAL, LLC

By: [Signature]
Glenn A. Kirbo, Manager of Tiger River Capital, LLC

Signed, acknowledged and delivered in the presence of:

X [Signature]
Witness
X [Signature]
Witness



LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Georgia)
) SS
COUNTY OF Dougherty)

PERSONALLY appeared before me and made oath that he or she saw the within-named Grantor(s) sign, seal, and, as his or her act and deed, deliver the within-written Mortgage for the uses and purposes therein mentioned, and that he or she with the other witness subscribed above witnessed the execution thereof.

[Signature]
(Witness)

SWORN to before me this 21st
day of December, A.D. 2009
[Signature] (Seal)
Notary Public
My Commission expires: _____

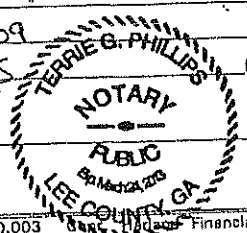


EXHIBIT A

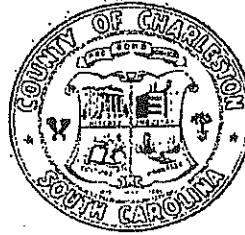
ALL RIGHT TITLE AND INTEREST IN A TO ANY AND ALL REAL PROPERTY RIGHTS PERMITS LICENCES STRUCTURES FIXTURES FACILITIES AND OTHER ASSOCIATED ITEMS COMPRISING THE BUILDING CONSISTING OF A TWO STORY WOOD FRAME STRUCTURE ON TIMBER PILES COMMONLY KNOWN AS THE SHIP STORE CONTAINING COMMERCIAL UNIT 1-A ON THE FIRST FLOOR PLUS A WOOD RAMP AND WOODEN DECKING AND COMMERCIAL UNIT 1-B ON THE SECOND FLOOR SAID REAL ESTATE BEING LOCATED ON THE NORTHERN BANKS OF THE FOLLY RIVER TO THE WEST OF FOLLY ROAD BETWEEN THE SAID FOLLY ROAD AND STONO RIVER IN THE COUNTY OF CHARLESTON STATE OF SOUTH CAROLINA DESCRIBED MORE FULLY IN THAT CERTAIN TITLE TO REAL ESTATE DATED MAY 16, 2007 AND RECORDED IN THE CHARLESTON COUNTY RMC OFFICE FOR CHARLESTON COUNTY IN BOOK A626 AT PAGE 629 (ORIGINALLY ASSIGNED TMS#328-00-00-109).

BEING THE SAME PROPERTY CONVEYED TO TIGER RIVER CAPITAL BY DEED OF FLINT RIVER CAPITAL DATED FEBRUARY 27, 2009 AND RECORDED IN BOOK 0037 AT PAGE 844.

TMS#328-00-00-544 (2.0021% INTEREST IN COMMON ELEMENTS)- UNIT 1-A

TMS#328-00-00-545 (1.0769% INTEREST IN COMMON ELEMENTS) -UNIT 1-B

RECORDER'S PAGE



NOTE: This page **MUST** remain with the original document

Filed By:

BEVON LAW FIRM
350-B FOLLY ROAD

CHARLESTON, SC 29412

RECORDED		
Date:	December 22, 2009	
Time:	2:13:33 PM	
<u>Book</u>	<u>Page</u>	<u>DocType</u>
0098	567	Mtg
Charlie Lybrand, Register Charleston County, SC		

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MAKER:

TIGER RIVER CAPITAL LLC

RECIPIENT:

FIRST SOUTH BK

of Pages:
of Sats:
of References:

Note:

Recording Fee	\$ 10.00
Extra Reference Cost	\$ -
Extra Pages	\$ 3.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 13.00

Original Book:

Original Page:

DRAWER
CLERK

12
CFB



0098
Book



567
Page



12/22/2009
Recorded Date



8
Pgs



Original Book



Original Page



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Doc Type



14:13:33
Recorded Time

RECORDATION REQUESTED BY:



BP0098564

RMC BK 0098 Pg 564 : pg 1

WHEN RECORDED MAIL TO:

First South Bank
PO Box 2047
220 Creekside
Washington, NC 27889

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS dated December 22, 2009, is made and executed between Law Firm Finance, LLC, whose address is 2405 Westgate Dr, Albany, GA 31707; a Limited Liability Company (referred to below as "Grantor") and First South Bank, whose address is PO Box 2047, 220 Creekside, Washington, NC 27889 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor hereby assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in Charleston County, State of South Carolina:

See Exhibit A, which is attached to this Assignment and made a part of this Assignment as if fully set forth herein.

The Property or its address is commonly known as Fuel Docs & 2 Boat slips located on 2 McDonough Rd, Folly Beach, SC 29439. The Property tax identification number is 328-00-00-507 & 328-00-00-508.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF BORROWER AND GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Lender need not tell Borrower about any action or inaction Lender takes in connection with this Assignment. Borrower assumes the responsibility for being and keeping informed about the Property. Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Property, or any delay by Lender in realizing upon the Property. Borrower agrees to remain liable under the Note with Lender no matter what action Lender takes or fails to take under this Assignment.

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Documents, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that:

- Ownership. Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.
- Right to Assign. Grantor has the full right, power and authority to enter into this Assignment and to assign and convey the Rents to Lender.
- No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.
- No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Assignment.

LENDER'S RIGHT TO RECEIVE AND COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby given and granted the following rights, powers and authority:

- Notice to Tenants. Lender may send notices to any and all tenants of the Property advising them of this Assignment and directing all Rents to be paid directly to Lender or Lender's agent.
- Enter the Property. Lender may enter upon and take possession of the Property; demand, collect and receive from the tenants or from any other persons liable therefor, all of the Rents; institute and carry on all legal proceedings necessary for the protection of the Property, including such proceedings as may be necessary to recover possession of the Property; collect the Rents and remove any tenant or tenants or other persons from the Property.
- Maintain the Property. Lender may enter upon the Property to maintain the Property and keep the same in repair; to pay the costs thereof and of all services of all employees, including their equipment, and of all continuing costs and expenses of maintaining the Property in proper repair and condition, and also to pay all taxes, assessments and water utilities, and the premiums on fire and other insurance effected by Lender on the Property.
- Compliance with Laws. Lender may do any and all things to execute and comply with the laws of the State of South Carolina and also all other laws, rules, orders, ordinances and requirements of all other governmental agencies affecting the Property.
- Lease the Property. Lender may rent or lease the whole or any part of the Property for such term or terms and on such conditions as Lender may deem appropriate.
- Employ Agents. Lender may engage such agent or agents as Lender may deem appropriate, either in Lender's name or in Grantor's name, to rent and manage the Property, including the collection and application of Rents.
- Other Acts. Lender may do all such other things and acts with respect to the Property as Lender may deem appropriate and may act exclusively and solely in the place and stead of Grantor and to have all of the powers of Grantor for the purposes stated above.
- No Requirement to Act. Lender shall not be required to do any of the foregoing acts or things, and the fact that Lender shall have performed one or more of the foregoing acts or things shall not require Lender to do any other specific act or thing.

APPLICATION OF RENTS. All costs and expenses incurred by Lender in connection with the Property shall be for Grantor's account and Lender may pay such costs and expenses from the Rents. Lender, in its sole discretion, shall determine the application of any and all Rents received by it; however, any such Rents received by Lender which are not applied to such costs and expenses shall be applied to the Indebtedness. All expenditures made by Lender under this Assignment and not reimbursed from the Rents shall become a part of the Indebtedness secured by this Assignment, and shall be payable on demand, with interest at the Note rate from date of expenditure until paid.

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ASSIGNMENT OF RENTS
(Continued)

Loan No: 6800968668

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FULL PERFORMANCE. If Grantor pays all of the indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Assignment, the Note, and the Related Documents, Lender shall execute and deliver to Grantor a suitable satisfaction of this Assignment and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Property. Any termination fee required by law shall be paid by Grantor, if permitted by applicable law.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Grantor fails to comply with any provision of this Assignment or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Assignment or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Rents or the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Assignment also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Assignment:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Assignment or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default on Other Payments. Failure of Grantor within the time required by this Assignment to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Borrower, any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's, any guarantor's or Grantor's property or ability to perform their respective obligations under this Assignment or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Assignment or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Assignment or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against the Rents or any property securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Property Damage or Loss. The Property is lost, stolen, substantially damaged, sold, or borrowed against.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Cure Provisions. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Assignment within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender shall have all the rights provided for in the Lender's Right to Receive and Collect Rents Section, above. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Other Remedies. Lender shall have all other rights and remedies provided in this Assignment or the Note or by law.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Assignment, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Assignment, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, the amount owing on the Indebtedness and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveys' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Assignment:

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ASSIGNMENT OF RENTS
(Continued)

Loan No: 6800968668

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Amendments. This Assignment, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Assignment. No alteration of or amendment to this Assignment shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Caption Headings. Caption headings in this Assignment are for convenience purposes only and are not to be used to interpret or define the provisions of this Assignment.

Governing Law. With respect to procedural matters related to the perfection and enforcement of Lender's rights against the Property, this Assignment will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of North Carolina. In all other respects, this Assignment will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions. However, if there ever is a question about whether any provision of this Assignment is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction that is evidenced by the Note and this Assignment has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of North Carolina.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Beaufort County, State of North Carolina.

Joint and Several Liability. All obligations of Borrower and Grantor under this Assignment shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Assignment. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Assignment.

Merger. There shall be no merger of the interest or estate created by this assignment with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Interpretation. (1) In all cases where there is more than one Borrower or Grantor, then all words used in this Assignment in the singular shall be deemed to have been used in the plural where the context and construction so require. (2) If more than one person signs this Assignment as "Grantor," the obligations of each Grantor are joint and several. This means that if Lender brings a lawsuit, Lender may sue any one or more of the Grantors. If Borrower and Grantor are not the same person, Lender need not sue Borrower first, and that Borrower need not be joined in any lawsuit. (3) The names given to paragraphs or sections in this Assignment are for convenience purposes only. They are not to be used to interpret or define the provisions of this Assignment.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Assignment unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Assignment shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Assignment. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Assignment shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addressee shown near the beginning of this Assignment. Any party may change its address for notices under this Assignment by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Powers of Attorney. The various agencies and powers of attorney conveyed on Lender under this Assignment are granted for purposes of security and may not be revoked by Grantor until such time as the same are renounced by Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Assignment. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Assignment shall not affect the legality, validity or enforceability of any other provision of this Assignment.

Successors and Assigns. Subject to any limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Assignment.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of South Carolina as to all indebtedness secured by this Assignment.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Assignment. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code:

Assignment. The word "Assignment" means this ASSIGNMENT OF RENTS, as this ASSIGNMENT OF RENTS may be amended or modified from time to time, together with all exhibits and schedules attached to this ASSIGNMENT OF RENTS from time to time.

Borrower. The word "Borrower" means Tiger River Capital, LLC; and Law Firm Finance, LLC.

Default. The word "Default" means the Default set forth in this Assignment in the section titled "Default".

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Assignment in the default section of this Assignment.

Grantor. The word "Grantor" means Law Firm Finance, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Indebtedness. The word "Indebtedness" means all principal, earned interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Assignment, together with interest on such amounts as provided in this Assignment.

Lender. The word "Lender" means First South Bank, its successors and assigns.

Note. The word "Note" means the promissory note dated December 22, 2009, in the original principal amount of \$400,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Assignment" section of this Assignment.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments,

ROA 2621

ASSIGNMENT OF RENTS
(Continued)

Loan No: 6800968668

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agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Rents. The word "Rents" means all of Grantor's present and future rights, title and interest in, to and under any and all present and future leases, including, without limitation, all rents, revenue, income, issues, royalties, bonuses, accounts receivable, cash or security deposits, advance rentals, profits and proceeds from the Property, and other payments and benefits derived or to be derived from such leases of every kind and nature, whether due now or later, including without limitation Grantor's right to enforce such leases and to receive and collect payment and proceeds thereunder.

THE UNDERSIGNED ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT, AND NOT PERSONALLY BUT AS AN AUTHORIZED SIGNER, HAS CAUSED THIS ASSIGNMENT TO BE SIGNED AND EXECUTED ON BEHALF OF GRANTOR ON DECEMBER 22, 2009.

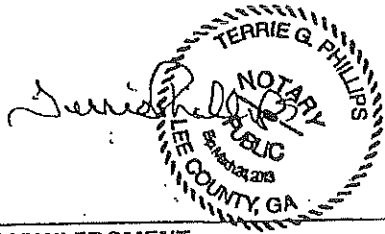
GRANTOR:

LAW FIRM FINANCE, LLC

By: [Signature]
Glenn A. Kibo, Manager of Law Firm Finance, LLC

Signed, acknowledged and delivered in the presence of:

X [Signature]
Witness
X [Signature]
Witness

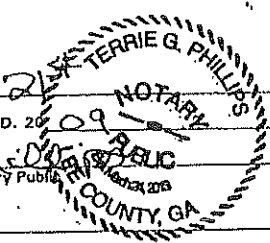


LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Georgia)
) SS
COUNTY OF Dougherty)

PERSONALLY appeared before me and made oath that he or she saw the within-named Grantor(s) sign, seal, and, as his or her act and deed, deliver the within-written Assignment for the uses and purposes therein mentioned, and that he or she with the other witness subscribed above witnessed the execution thereof.

SWORN to before me this 22 day of December, A.D. 2009
[Signature] (Seal)
My Commission expires: _____



[Signature]
(Witness)

EXHIBIT A

DOCK UNIT C21 AND C22 MARINERS CAY HPR AN HPR ESTABLISHED PURSUANT TO SOUTH CAROLINA HPR ACT SC CODE SECTION 27-31-10 ET SEQ AND SUBMITTED BY MASTER DEED OF MARINERS CAY HPR DATED MAY 11, 2006 AND RECORDED IN THE CHARLESTON COUNTY RMC OFFICE IN BOOK V583 AT PAGE 584 AS AMENDED BY THAT MASTER DEED OF MARINERS CAY HPR RECORDED IN BOOK X618 AT PAGE 603 AS SHOWN AND DELINEATED ON THAT CERTAIN PLAT ENTITLED "EXHIBIT B" TO THE MASTER DEED OF MARINERS CAY HPR "SURVEY SHOWING SHIPS STORE, EASEMENT AND MARINA FACILITIES MARINERS CAY MARINA AT MARINERS CAY CITY OF FOLLY BEACH CHARLESTON COUNTY SOUTH CAROLINA DATED DECEMBER 27, 2005, REVISED APRIL 28, 2006" AND RECORDED IN THE CHARLESTON COUNTY RMC OFFICE AS EXHIBIT B OF THE AFORMENTIONED MASTER DEED.

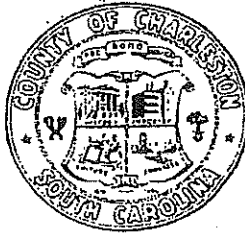
BEING THE SAME PROPERTY CONVEYED TO LAW FIRM FINANCE BY DEED OF FLINT RIVER CAPITAL, LLC DATED NOVEMBER 21, 2001 AND RECORDED IN BOOK V583 AT PAGE 584.

TMS#328-00-00-507 (11.112% INTEREST IN COMMON ELEMENTS)- UNIT C21

TMS#328-00-00-508 (11.112% INTEREST IN COMMON ELEMENTS)-UNIT C22

RECORDER'S PAGE

NOTE: This page MUST remain with the original document



Filed By:

BEVON LAW FIRM
350-B FOLLY ROAD

CHARLESTON, SC 29412

RECORDED		
Date:	December 22, 2009	
Time:	2:08:24 PM	
<u>Book</u>	<u>Page</u>	<u>DocType</u>
0098	564	Asgt/Etc
Charlie Lybrand, Register Charleston County, SC		

MAKER:

LAW FIRM FIN LLC

RECIPIENT:

FIRST SOUTH BK

Original Book:

Original Page:

of Sats:

of References:

of Pages:

Note:

Recording Fee	\$ 10.00
Extra Reference Cost	\$ -
Extra Pages	\$ 1.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 11.00

DRAWER
CLERK

Drawer 1
CFB



0098
Book



564
Page



12/22/2009
Recorded Date



6
Pgs



Original Book



Original Page



D
Doc Type



14:08:24
Recorded Time



BP0098561

RMC BK 0098 Pg 561 : PG 1 *

RECORDATION REQUESTED BY:

WHEN RECORDED MAIL TO:

First South Bank
PO Box 2047
220 Creekside
Washington, NC 27889

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

CONSTRUCTION MORTGAGE

THIS MORTGAGE dated December 22, 2009, is made and executed between Law Firm Finance, LLC, whose address is 2405 Westgate Dr, Albany, GA 31707; a Limited Liability Company (referred to below as "Grantor") and First South Bank, whose address is PO Box 2047, 220 Creekside, Washington, NC 27889 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, grants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in Charleston County, State of South Carolina:

See Exhibit A, which is attached to this Mortgage and made a part of this Mortgage as if fully set forth herein.

The Real Property or its address is commonly known as Fuel Docs & 2 Boat slips located on 2 McDonough Rd, Folly Beach, SC 29439. The Real Property tax identification number is 328-00-00-507 & 328-00-00-508.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THIS MORTGAGE. THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF BORROWER'S OBLIGATIONS UNDER THAT CERTAIN CONSTRUCTION LOAN AGREEMENT BETWEEN BORROWER AND LENDER OF EVEN DATE HERewith. ANY EVENT OF DEFAULT UNDER THE CONSTRUCTION LOAN AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS MORTGAGE. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power, right, and authority to enter into this Mortgage and to hypothecate the Property; (c) the provisions of this Mortgage do not conflict with, or result in a default under any agreement or other instrument binding upon Grantor and do not result in a violation of any law, regulation, court decree or order applicable to Grantor; (d) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (e) Lender has made no representation to Grantor about Borrower (including without limitation the creditworthiness of Borrower).

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Borrower shall pay to Lender all indebtedness secured by this Mortgage as it becomes due, and Borrower and Grantor shall strictly perform all Borrower's and Grantor's obligations under this Mortgage.

CONSTRUCTION MORTGAGE. This Mortgage is a "construction mortgage" for the purposes of Sections 9-334 and 2A-309 of the Uniform Commercial Code, as those sections have been adopted by the State of South Carolina.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Borrower and Grantor agree that Borrower's and Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until the occurrence of an Event of Default, Grantor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Grantor represents and warrants to Lender that: (1) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from the Property; (2) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for the Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the satisfaction and reconveyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

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Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon or leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Mortgage:

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Lender under this Mortgage, except for those liens specifically agreed to in writing by Lender, and except for the lien of taxes and assessments not due as further specified in the Right to Contest paragraph.

Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgages clause in favor of Lender. Grantor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Lender being named as additional insureds in such liability insurance policies. Additionally, Grantor shall maintain such other insurance, including but not limited to hazard, business interruption and boiler insurance as Lender may require. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of thirty (30) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default under this Mortgage. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to pay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor as Grantor's interests may appear.

Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially effect Lender's interest in the Property or if Grantor fails to comply with any provision of this Mortgage or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Mortgage or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Mortgage also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage:

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Mortgage:

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments and documentation as may be requested by Lender from time to time to permit such participation.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage:

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (2) a specific tax on Borrower which Borrower is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (3) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (4) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Borrower.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage:

Security Agreement. This Instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall take whatever action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall not remove, sever or detach the Personal Property from the Property. Upon default, Grantor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage:

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Borrower's and Grantor's obligations under the Note, this Mortgage, and the Related Documents, and (2) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or Lender agrees to the contrary in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Borrower and Grantor pay all the indebtedness when due, and Grantor otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Mortgage:

Payment Default. Borrower fails to make any payment when due under the indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Mortgage or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

Default in Favor of Third Parties. Should Borrower or any Grantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's ability to repay the indebtedness or Borrower's or Grantor's ability to perform their respective obligations under this Mortgage or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Mortgage or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Mortgage or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The dissolution of Grantor's (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Borrower's or Grantor's existence as a going business or the death of any member, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any property securing the indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Breach of Other Agreement. Any breach by Borrower or Grantor under the terms of any other agreement between Borrower or Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Borrower or Grantor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Right to Cure. If any default, other than a default in payment is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of an Event of Default end at any time thereafter, Lender, at Lender's option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option without notice to Borrower or Grantor to declare the entire indebtedness immediately due and payable, including any prepayment penalty that Borrower would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Borrower or Grantor, to take possession of the Property and, as mortgagee-in-possession, collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Property exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Nonjudicial Sale. If permitted by applicable law, Lender may foreclose Grantor's interest in all or in any part of the Personal Property or the Real Property by non-judicial sale.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Appraisal. Grantor hereby waives the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained by Lender against Borrower in the event of foreclosure under this Mortgage.

Tenancy at Sufferance. If Grantor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Borrower or Grantor, Grantor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Borrower and Grantor hereby waive any and all right to have the Property marshalled. In exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of the Personal Property may be made in conjunction with any sale of the Real Property.

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Mortgage, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies. Nothing under this Mortgage or otherwise shall be construed so as to limit or restrict the rights and remedies available to Lender following an Event of Default, or in any way to limit or restrict the rights and ability of Lender to proceed directly against Grantor and/or Borrower and/or against any other co-maker, guarantor, surety or endorser and/or to proceed against any other collateral directly or indirectly securing the indebtedness.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees in an amount not less than fifteen percent (15%) of the amount owing on the indebtedness and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Grantor also will pay any court costs, in addition to all other sums provided by law.

NOTICES. Any notice required to be given under this Mortgage, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Mortgage. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the

provisions of this Mortgage.

Governing Law. With respect to procedural matters related to the perfection and enforcement of Lender's rights against the Property, this Mortgage will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of South Carolina. In all other respects, this Mortgage will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions. However, if there ever is a question about whether any provision of this Mortgage is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction that is evidenced by the Note and this Mortgage has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of North Carolina.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of Beaufort County, State of North Carolina.

Joint and Several Liability. All obligations of Borrower and Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Grantor signing below is responsible for all obligations in this Mortgage. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Mortgage.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Mortgage unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Mortgage shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Mortgage. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Mortgage. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Mortgage shall not affect the legality, validity or enforceability of any other provision of this Mortgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Successors and Assigns. Subject to any limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of South Carolina as to all indebtedness secured by this Mortgage.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Mortgage. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means Tiger River Capital, LLC; and Law Firm Finance, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Default. The word "Default" means the Default set forth in this Mortgage in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Mortgage in the events of default section of this Mortgage.

Grantor. The word "Grantor" means Law Firm Finance, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal, earned interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means First South Bank, its successors and assigns.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Note. The word "Note" means the promissory note dated December 22, 2009, in the original principal amount of \$400,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The maturity date of this Mortgage is January 5, 2013.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Mortgage.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

If he pays HOA fees, he is double paying (he's already paying, maintenance, taxes and insurance.)
Water bills: \$622, \$520 . . . he thinks he is paying for more than he is using.

He'd like us to resolve the HOA dues, electric use, water use . . . that would create good faith.

He is paying everything, and he is getting a warning about a lien Doesn't give him a warm and fuzzy problem.

He doesn't have a problem paying a regime fee that is proportionate to the serves he is getting. he is paying \$400 a month. That more than a condo owner . . . But they get more,

But how do we make sure building is taken care of? Mechanism for ensuring taxes paid, property maintained, etc. could be in HOA agreement? Board would have a right to go out and do the maintenance, pay the taxes, insurance, whatever is deficient, and then bill Dolph for it.

Other dock—trade?

If one unit is sold, then who is responsible for maintenance, taxes, etc? Owners would be required to maintain it? Board would have a right to assess property for nonpayment.

That's ok, but taxation without representation.

Maintenance, common spaces, taxes, insurance, marina office supplies, access to panels, storage, pumpout,

Marina survey: Tom Salter

MC-1130

Derek Dean, Simons and Dean. I will ask Derek what happened with the \$80k right off, First South bank vs. Tiger River Capital LLC. Repo. Sabal?

Storm damage: Ed will give us a number for storm repair.

Rick Stringer: Horizontal Regime act: requires floor plan and vertical survey. Determines cubic feet of each condo. Dockminiums. The vertical survey was never submitted. First South objected that there was no survey. 7/2016—Derek Dean still trying to get it done. A survey apparently was done, but it was never recorded, nor there was an amendment to the master deed referring to it, recorded. South State went ahead and made deal with Sabal without it and no one is returning phone calls.

Divide by 92/

140 (appraised value) + 40 (for the fuel docks) + 25 (for the pilings) / 92 = 2200 per owner. If we just assessed the thing. Or we could try and get loan.

National Bank of SC

11/7/16 Meeting with roger:

Tom: Dolph said we are too far apart on Shipstore, let's do the fuel dock. Dolph: Feels fuel dock is worth more than 40k because of fuel concession. Tom: If anything, it is a liability.

Neutral at best.

Roger: MCC wants:

1. No thru gate traffic business
2. Maintenance consistent with MCC standards.
3. Whoever has fuel dock will maintain liability insurance. Feels MCC could be in line for liability.

Wants commercial striken.

There is no architectural control of the building. "Free from any architectural decision making."

Both sides want paint, design, maintained.

It is a three party agreement: (2002 agreement) including shipstore \$250 a month to MCC, and they can operate with no architectural control or interference. Other than the 250, shipstore operates free and clear from regime. So no special assessment.

Ambiguous as to restroom, dock master office.

MC-1131

ROA 2631

Roger: clean up easement, in exchange, MCC will give up \$220 a month.

What about Randy? Roger says: slipper slope. But BOD approval is required.

Top unit: residential, Bottom unit: limited mix use.

Giving Dolph access to facilities at MCC is leverage (he wants that) Marsh winds does this (\$65 per month per unit).

Roger: no "living" quarters on ground level, which would exclude office, restroom etc.

MCC: there was never any rental in SS because they did not get their 1%.

Our dock is A12 – a 30 foot dock? Is also "leverage."

Roger to give us authority in writing to make joint offer:

Tom: does not want to concede no commercial use of slips.

We would like to bring two options to the owners:

Option one: we buy ship's store for \$140k & fuel docks, pursuant to the following joint offer

Option two: We buy the fuel docks *only*, pursuant to the following "joint offer"

We are authorized to make the following Joint MCC/MCM Offer:

MCC wants:

Revise Easement on the following issues:

1. No thru gate traffic business
2. Maintenance consistent with MCC community standards.
3. Whoever has fuel dock will maintain liability insurance. Feels MCC could be in line for liability. (not sure if this is possible, we can give MCC indemnification clause).
4. Clean up easement:
 - a. Clarify permitted use of ship store,
 - b. get rid of business arrangement in easement, get rid of 1% revenue to MCC
 - c. Other stuff (Roger to email)

MCM wants:

1. We pay \$20k + A12 (\$20k value) for fuel docks
2. Establish entitlement to bathrooms in easement-(in current location – concession stand)
3. Entitlement to Dockmaster office in easement – (in current location-)
4. We want shared use of deck and porch area (elevated level)

Dolph gets:

1. MCC and MCM agree to revise easement to say: Unobstructed residential use permitted of shipstore (and limited commercial use in first unit)
2. MCC will give ship store units access to pool/amentities(for reasonable monthly per unit fee)
3. MCM will give each ship store units 2 parking spaces (total 4) from the MCM allotment
4. Dolph gets Slip A12 (in part payment of fuel docks)
5. Business agreement is stricken, which means ship store no longer pays 1% of gross revenue, also ship store no longer pays \$250 per month to MCC
6. MCM will pay our share of water and electric and take necessary measures to apportion

NB: No possible way to waive regime fee for Shipstore (it would take 100% vote)
Shipstore unit owners are responsible for 50% share of maintenance of building

Dolph wants:

Ed says: DHEC has grant to improve pumpout—could be used to dockmaster.
Jeff's business gets grants for training – around \$20k.

11/10/16 - Meeting with Dolph

Dolph: Counter: \$350k. 1300 sq ft. Bottom line. Tax records: \$250k. Cites: Toler's Cove.

Dolph: Platt says: ownership to the waterline.

Sticking point is location of dockmaster's office.

Not giving away, bartering.

Dolph: Dockmaster: put a small building on the fuel dock. Best place, proximity to fuel. Etc. Other marinas do this. Or a houseboat. (What about permits?) But Dolph won't pay for it. Wants to put bathrooms on ground level, although unlikely.

Tom: Lease shipstore?

11/15/16 BOD open meeting (no Jeff)

Roger: we need to figure out who owns the land/easement—Dolph thinks he does, we think we do. Tom and Roger think this needs to be resolved before we can move forward.

Amanda to investigate reserve study. Ron to investigate pilings.

1/16/17 Board meeting

Ed Geiger:

Issue due to loss of ships store:

Access to control of security gates

Electrical control

No onsite storage for emergency spill equipment.

Storage for records.

We are renting storage

We do not have consequences defined for violation of rules (i.e., dolphs trailer)

Kicked out from underneath building too, so had to rent storage.

Since gangway moved, there is an extra 20 feet on e-dock.

Ed is moving the station by E1 to F1.

We lost only one float—at end of E dock, not an issue right now.

Each dock section should be self sufficient, and bolted together with bolt. There is a faceboard that joins the docks together. 3/4" galvanized bolts are gone. Should be replaced with 1/2" stainless carriage bolts. Also, we should add angle brackets on every finger, like outside of D and outside of E—whether the T meets.

No VHF radio, telephone, no control of internet.

Tanks—out of compliance. Listed as out of service but they have fuel in them, regs say must be pumped down with 1-2 inches. 800 gallons in one, 500 in the others. Technically, they should be measured 2x a day. There has to be a licensed operator. Dolph owns the tanks, but they are on our easement. D-Hec cited Dolph about it.

What are we going to do about the pumpout? Ed: increase size of the pumpout dock, but a dockmaster station on there, restroom (all allowed in our permit). Or put in where E1 is move everyone back.

Tom: the whole purpose of masterdeed is to create a marina, not residential units.

Utilities

There is one service for both units—that is against code. There should be one for each unit + one for the marina. Also, we need separate service for the bathroom

Dolph has loaded underneath building of junk. Fire marshall if aware would order it cleaned out.

We need to update our operations manual. It pre-dates dockminium. It is 5 years overdue. There is an engineering firm (GEL laboratories) that will re-write it for \$3k. Or we could get a copy of Ashley Marina. There are several elements we cannot define: the office, pumpout, fuel system, documents available on

MC-1134



Valbridge
PROPERTY ADVISORS

Appraisal Report

Mariners Cay Unit 1-A
2 McDonough Road
Folly Beach, Charleston County, South Carolina 29439

Report Date: July 5, 2016



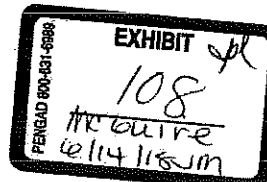
FOR:

Mariners Cay Marina Condo LLC Council of Co-Owners
c/o Ms. Laurie Hull
Dunes Properties
31 Center Street
Folly Beach SC 29439

**Valbridge Property Advisors |
Atlantic Appraisals, LLC**

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843.884.1266 phone
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valbridge.com

Valbridge File Number:
SC01-16-0280



MC-1283

ROA 2636



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 Mt. Pleasant, SC 29464
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 valbridge.com

July 5, 2016

Christopher D. Donato MAI,
 CCIM
 843-884-1266 x111
 cdonato@valbridge.com

Mariners Cay Marina Condo LLC Council of Co-Owners
 c/o Ms. Laurie Hull
 Dunes Properties
 31 Center Street
 Folly Beach, SC 29439

RE: Appraisal Report
 Mariners Cay Unit 1-A
 2 McDonough Road
 Folly Beach, Charleston County, South Carolina 29439

Dear Ms. Hull:

In accordance with your request, we have performed an appraisal of the above referenced property. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to our value opinions. This letter of transmittal is not valid if separated from the appraisal report.

The subject property, as referenced above, is a part of Mariners Cay Marina Horizontal Property Regime and is located at 2 McDonough Road, Folly Beach. This condo is legally known as Unit 1-A and is the 1st habitable floor of a two story building that was formerly utilized as a ship's store in support of the marina. The unit includes 1,352 SF of heated area and 1,067 SF of covered porches and open decks. It is further identified as Assessor's Parcel Number (APN) 328-00-00-544.

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

VALBRIDGE PROPERTY ADVISORS: ARIZONA • ATLANTA • BAKERSFIELD, CA • BATON ROUGE • BOISE • BOSTON • BOYHELL, WA • BOULDER • BROOKFIELD, WI • CARBONDALE (ASPEN) • CENTRAL VALLEY
 CA/CENTRAL COUNTIES • CHATTANOOGA • CHARLESTON • CHARLOTTE • CHICAGO • CLEVELAND • COEUR D'ALENE • DALLAS-FORT WORTH • EAST LANSING • FARGO, ND • GREENVILLE, SC •
 HARTFORD • HILTON HEAD • HOUSTON • INDIANAPOLIS • JACKSONVILLE • KANSAS CITY • KNOXVILLE • LAS VEGAS • LOS ANGELES • LOUISVILLE • LUBBOCK • MEMPHIS • MILWAUKEE • MINNEAPOLIS •
 MONTEREY/CARMEL • MONTGOMERY • NAPLES • NASHVILLE • NEW ORLEANS • NEW YORK CITY (MANHATTAN) • NORFOLK/VIRGINIA BEACH • NORTH JERSEY • NORWALK/STAMFORD • OLYMPIA • ORANGE
 COUNTY • ORLANDO • PHILADELPHIA • PITTSBURGH • PORTLAND, OR • RALEIGH • RICHMOND • ROANOKE • SACRAMENTO • SALT LAKE CITY • SAN ANTONIO • SAN DIEGO • SAN FRANCISCO BAY
 AREA/EAST BAY • SAN FRANCISCO BAY AREA/SILICON VALLEY • SEATTLE • SHREVEPORT • SPOKANE • SOUTH JERSEY • SOUTHERN UTAH • TALLAHASSEE, FL • TAMPA/ST. PETERSBURG • TULSA • TUCSON • WASHINGTON
 DC/BALTIMORE • WEST CHESTER, OH • WEST PALM BEACH

MC-1284



The client in this assignment is Mariners Cay Marina Condo LLC Council of Co-Owners and the intended user of this report is client and no others. The intended use is for information toward a purchase decision. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certification contained in this report.

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

Extraordinary Assumptions:

- None

Hypothetical Conditions:

- None

Based on the analysis contained in the following report, our value conclusions are summarized as follows:

Value Conclusions	
Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	June 29, 2016
Value Conclusion	\$140,000
	\$103.55 psf

Respectfully submitted,
Valbridge Property Advisors | Atlantic Appraisals, LLC

Christopher D. Donato, MAI, CCIM
Senior Managing Director
South Carolina Certified General CG 292
Expires 06-30-2016



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Summary of Salient Facts

Property Identification

Property Name	Mariners Cay Unit 1-A
Property Address	2 McDonough Road Folly Beach, Charleston County, South Carolina, 29439
Latitude & Longitude	32.661278, -79.948237
Tax Parcel Number	328-00-00-544
Property Owner	Mariners Cay Marina Condo LLC

Site

Zoning	Not Zoned
FEMA Flood Map No.	0
Flood Zone	0
Land Area	0.000 acres

Existing Improvements

Property Use	Retail Condominium Unit(s)
Investment Class	D
Occupancy Type	Local
Gross Building Area (GBA)	1,352 sf
Net Rentable Area (NRA)	1,352 sf
Number of Units	2
Number of Buildings	1
Number of Stories	2
Year Built	1980
Condition	Poor to Fair
Construction Class	D - Wood Frame
Construction Quality	Average

Valuation Opinions

Highest & Best Use - As Vacant	Water oriented commercial
Highest & Best Use - As Improved	Retail/office
Reasonable Exposure Time	12 months
Reasonable Marketing Time	12 months

Value Conclusions

Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	June 29, 2016
Value Conclusion	\$140,000
	\$103.55 psf

Our findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:



Extraordinary Assumptions:

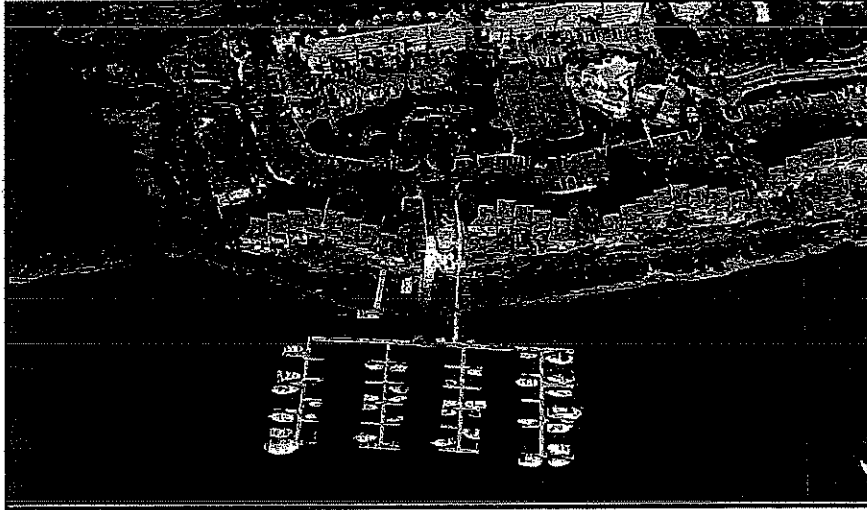
- None

Hypothetical Conditions:

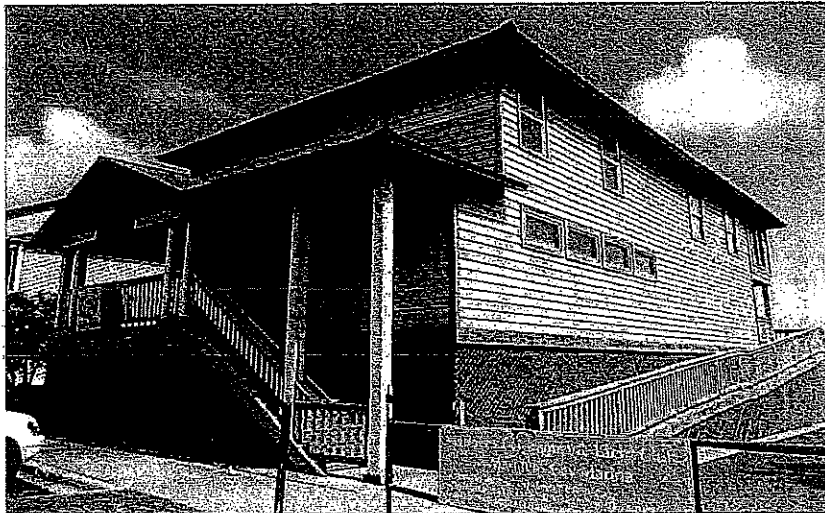
- None

Aerial and Front Views

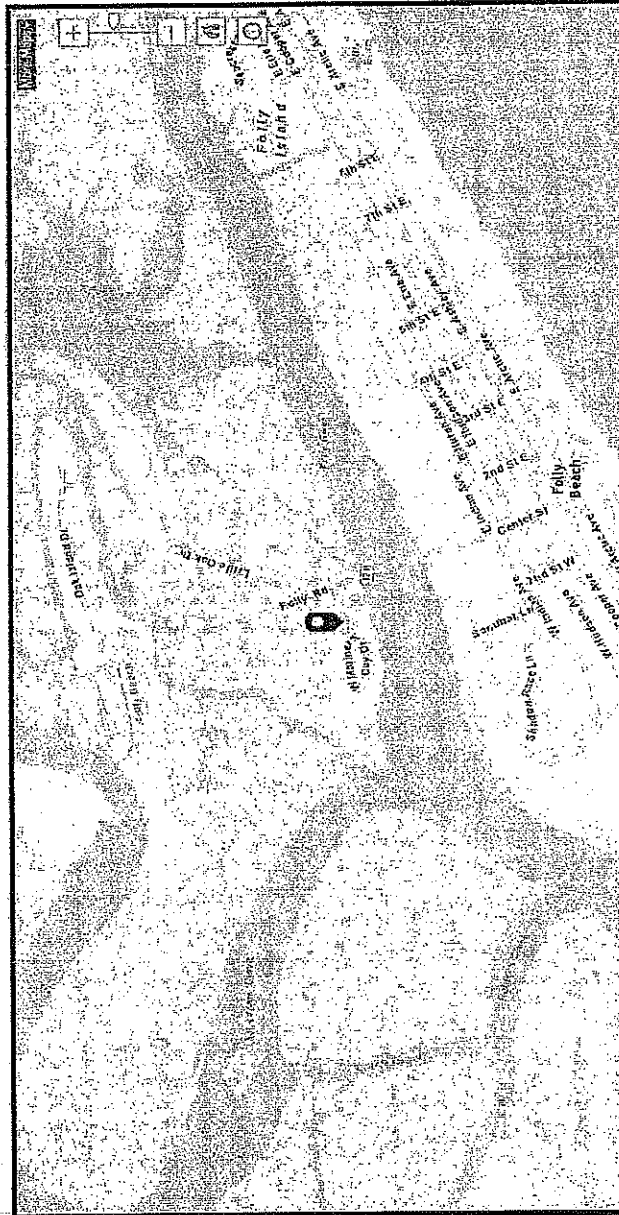
AERIAL VIEW



FRONT VIEW



Location Map





Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Mariners Cay Marina Condo LLC Council of Co-Owners and the intended user of this report is Mariners Cay Marina Condo LLC Council of Co-Owners and no others.

Intended Use of the Appraisal

The intended use of this report is for information leading to a purchase decision.

Real Estate Identification

The subject property is located at 2 McDonough Road, Folly Beach, Charleston County, South Carolina 29439. The subject property is further identified by Assessor Parcel Number 328-00-00-544.

Legal Description

ALL right, title and interest in and to any and all real property rights, permits, licenses, structures, fixtures, facilities, and other associated items comprising the building consisting of a two story wood frame structure on timber piles commonly known as the Ship Store containing Commercial Unit 1-A on the first floor plus a wood ramp and wooden decking and Commercial Unit 1-B on the second floor, said real estate being located on the northern banks of the Folly River to the west of Folly Road between the said Folly Road and Stono River in the County of Charleston, State of South Carolina, described more fully in that certain title to real estate dated May 18, 2007 and recorded in the Office of the Register of Deeds for Charleston County in Book A626 at Page 629.

Use of Real Estate as of the Effective Date of Value

As of the effective date of value, the subject was a vacant commercial condominium unit.

Use of Real Estate as Reflected in this Appraisal

The subject is a retail condominium unit(s), but vacant at the time of this appraisal.

Ownership of the Property

According to the deed, title to the subject property is vested in Mariners Cay Marina Condo LLC.

History of the Property

Ownership of the subject property has changed within the past three years. The current owner acquired the subject property on 05-25-2016 for a recorded consideration of \$210,000. The grantor was Emerald McDonough Road Holdings, LLC and the recording number was 0556/511. This sale included both units 1-A and 1-B. Unit 1-A (1,352 SF) is on the first floor and 1-B (634 SF) is on the second floor. Total area is 1,986 SF (\$105.74/SF). When appropriate, we have considered and analyzed the known history of the subject in the development of our opinions and conclusions.

Listings/Offers/Contracts

The subject is not currently listed for sale or under contract for sale.



Type and Definition of Value

The appraisal problem (the term "Purpose of Appraisal" has been retired from appraisal terminology) is to develop an opinion of the market value of the subject property. "Market Value," as used in this appraisal, is defined as "the most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus." Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated.
- Both parties are well informed or well advised, each acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sale concessions granted by anyone associated with the sale.¹

The value conclusions apply to the value of the subject property under the market conditions presumed on the effective date(s) of value.

Please refer to the Glossary in the Addenda section for additional definitions of terms used in this report.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Per the scope of our assignment we developed opinions of value for the subject property under the following scenarios of value:

Valuation Scenario	Effective Date of Value
As Is Fee Simple Market Value	June 29, 2016

We completed an appraisal inspection of the subject property on June 29, 2016.

Date of Report

The date of this report is July 5, 2016, which is the same as the date of the letter of transmittal.

Assumptions and Conditions of the Appraisal

The acceptance of this appraisal assignment and the completion of the appraisal report submitted herewith are subject to the General Assumptions and Limiting Conditions contained in the report. The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions which might have affected the assignment results:

¹ Source: Code of Federal Regulations, Title 12, Banks and Banking, Part 722.2-Definitions



Extraordinary Assumptions

- None

Hypothetical Conditions

- None

Scope of Work

The scope of work includes all steps taken in the development of the appraisal. These include 1) the extent to which the subject property is identified, 2) the extent to which the subject property is inspected, 3) the type and extent of data researched, 4) the type and extent of analysis applied, and 5) the type of appraisal report prepared. These items are discussed as follows:

Extent to Which the Property Was Identified

Legal Characteristics

The subject was legally identified via Deed and master deed.

Economic Characteristics

Economic characteristics of the subject property were identified via Charleston County Chamber of Commerce, the Site to do Business, and properties with similar locational and economic characteristics.

Physical Characteristics

The subject was physically identified via 06-29-2016.

Extent to Which the Property Was Inspected

We inspected the subject on June 29, 2016 and performed physical measurement of the improvements.

Type and Extent of Data Researched

We researched and analyzed: 1) market area data, 2) property-specific market data, 3) zoning and land-use data, and 4) current data on comparable listings, sales, and rentals in the competitive market area. We also interviewed people familiar with the subject market/property type.

Personal Property/FF&E

All furniture, fixtures, and equipment (FF&E) or any other personal property has been excluded from our analysis. The opinion of market value developed herein is reflective of real estate only.

Type and Extent of Analysis Applied

The subject site has improvements that contribute to an overall value that exceeds the land value. We observed surrounding land use trends, the condition of the improvements, demand for the subject property, and relevant legal limitations in concluding a highest and best use. We then valued the subject based on the highest and best use conclusion, relying on the Sales Comparison and Income Capitalization Approaches. The Cost Approach was not used because generally unreliable in the appraisal of older depreciated buildings.

Appraisal Report Type

This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.



Valbridge
PROPERTY ADVISORS

MARINERS CAY UNIT 1-A
SCOPE OF WORK

Appraisal Conformity

We developed our analyses, opinions, and conclusions and prepared this report in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute; the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA); and the requirements of our client as we understand them.

City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject property is located on the west side of Folly Road in the Town of Folly Beach.

Commercial properties on Folly Beach are generally restricted to the first block off Center Street. These are typically older structures which have been renovated since Hurricane Hugo in 1989. The uses are varied, and range from small retail shops, restaurants, the Folly Beach Town Hall complex, and the Holiday Inn. The Holiday Inn is a multi-story motel located on front beach at the end of Center Street.

The completion of the Folly Beach Pier by the Charleston County Parks Department several years ago has been a significant boon to the Folly Beach economy. The pier is heavily used for over 8 months out of the year. This facility is located next to the Tides Hotel (previously the Holiday Inn). The Tides is the only front beach hotel in the immediate Charleston area.

On the other side of the Tides, is the condominium complex known as the Charleston Oceanfront Villas. This complex contains a total of 96 units was very successful. Prior to the Great Recession, there was a significant amount of additional new condominium development near the beach and on the backside of the island on the Folly River. There are also two relatively new condo developments just outside of the gate to Mariners Cay.

The Center Street corridor comprises 95% of the commercial activity in the Town of Folly Beach. Although the Center Street area is located in a flood zone, all of the buildings were constructed before federal flood requirements, and all provide ground level access which is conducive to



pedestrian traffic. All of the commercial lots on Center Street are comparatively small, and for the most part, off street parking is limited and often not available. Several buildings have been purchased and renovated for use as restaurants, retail, and office space.

Demographics

The following table depicts the area demographics in Folly Beach within a one-, three-, and five-mile radius from the subject.

Neighborhood Demographics

Radius				
Population Summary				
2000 Population				
2010 Population				
2015 Population				
2020 Population Estimate				
Annual % Change (2015 - 2020)		#NUM!	#NUM!	#NUM!
Household Summary				
2000 Households				
% Owner Occupied				
% Renter Occupied				
2010 Households				
% Owner Occupied				
% Renter Occupied				
2015 Households				
% Owner Occupied				
% Renter Occupied				
2020 Households Estimate				
% Owner Occupied				
% Renter Occupied				
Annual % Change (2015 - 2020)		#NUM!	#NUM!	#NUM!
Income Summary				
2015 Median Household Income				
2020 Median Household Income Estimate				
Annual % Change		#NUM!	#NUM!	#NUM!
2015 Per Capita Income				
2020 Per Capita Income Estimate				
Annual % Change		#NUM!	#NUM!	#NUM!

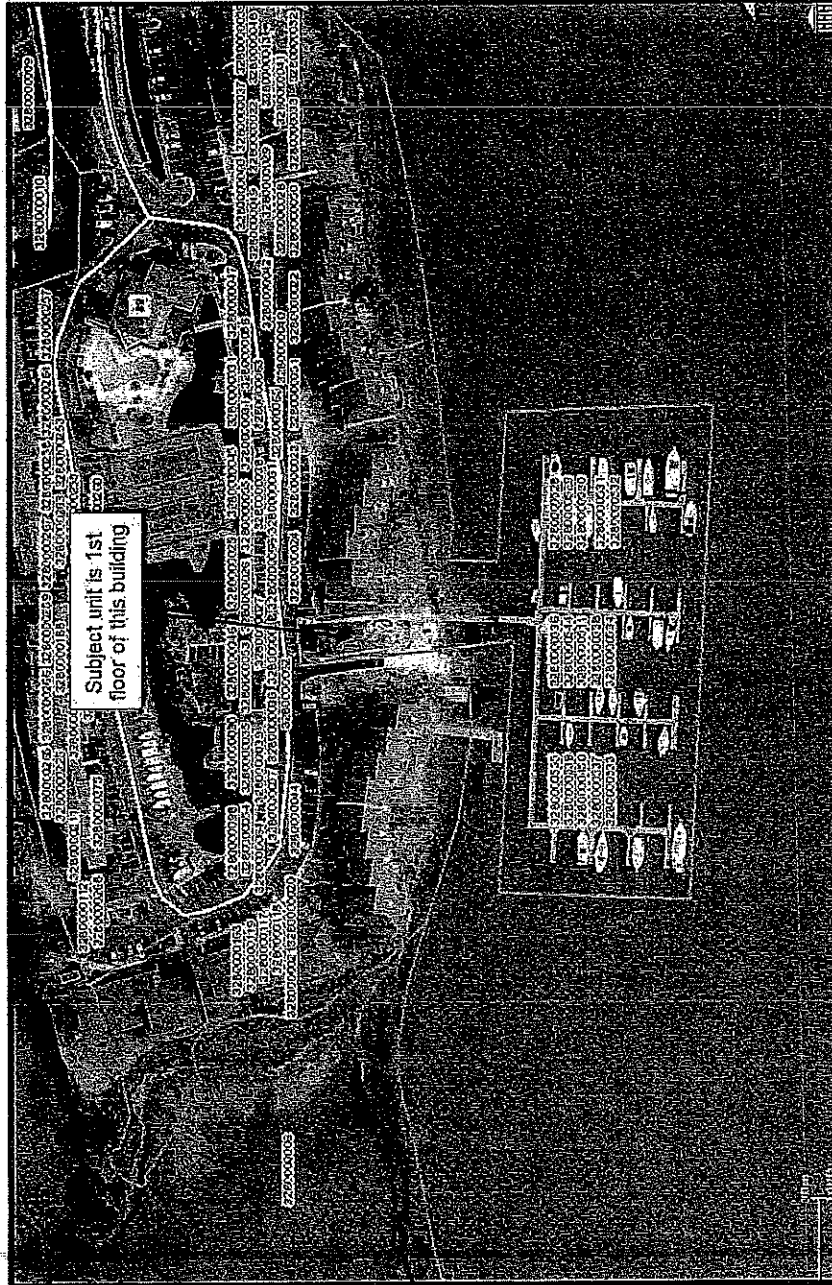
Source: Site-to-Do-Business (STDB Online)



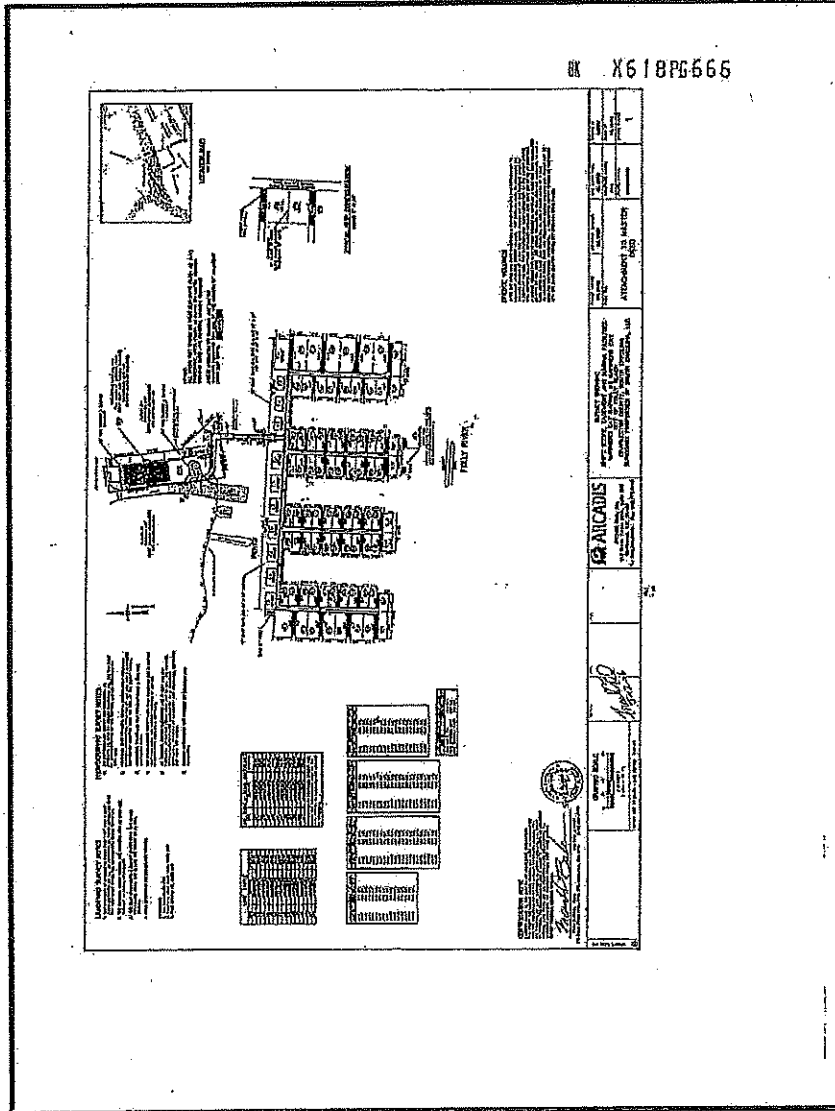
Site Description

The subject site is located at 2 McDonough Road in the Town of Folly Beach. It is part of the Mariners Cay Horizontal Property Regime. Mariners Cay is mostly comprised of condominium marina docks and has little land associated with it. However, the subject unit is part of a two story building that was originally included in the regime as a ship's store and captain's quarters. There are no recent plats or surveys of the site. Furthermore, as a horizontal property regime land is part of the common area owned by all the condominium owners.

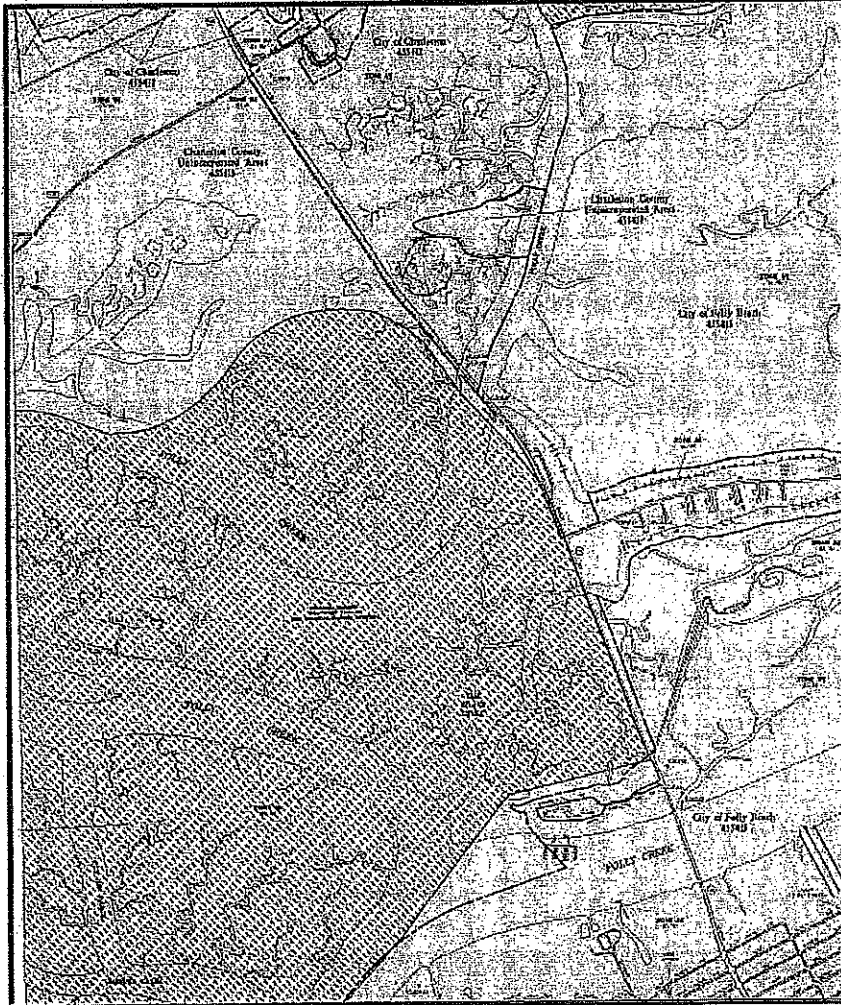
TAX/PLAT MAP



SITE SURVEY



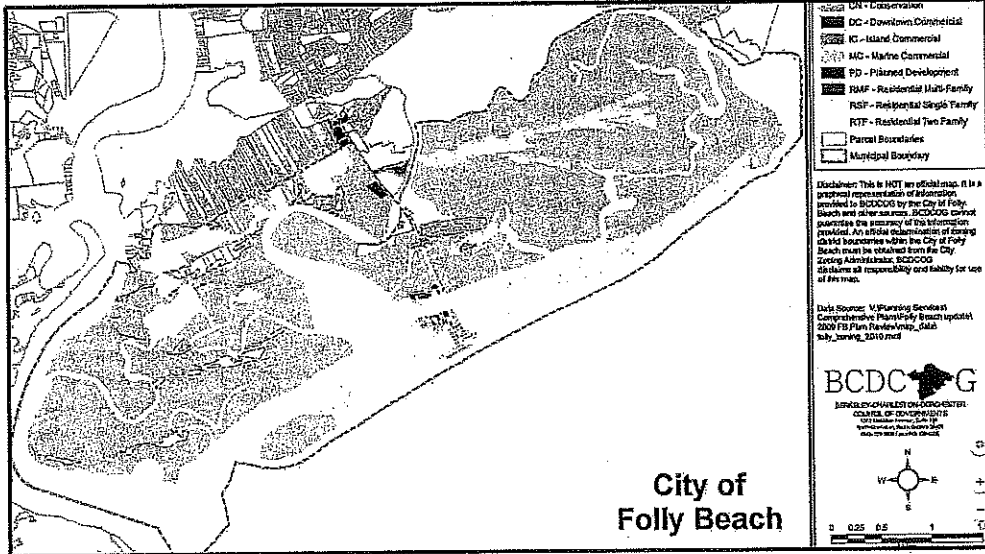
FLOOD MAP





ZONING MAP

MARINERS CAY UNIT 1-A
SITE DESCRIPTION





Improvements Description

The following description is based on our appraisal inspection, public records, and information provided by the client, owner, property manager, and/or broker.

General Data

Property Subtype:	Condominium Unit(s)
Type of Occupancy:	Single Tenant
Number of Stories:	2
Construction Class:	D - Wood Frame per Marshall Valuation Service

Building Areas

Total Building Area	Size in SF	Source
Gross Building Area (GBA)	1,352	physically measured
Net Rentable Area (NRA)	1,352	physically measured

Age / Life

Year Built:	1980
Actual Age:	36 years
Effective Age:	25 years
Typical Building Life:	40 years
Remaining Economic Life:	15 years

Exterior

Foundation:	Wood piers
Building Frame:	Wood frame
Exterior Walls:	Wood
Roof Material:	Metal

Interior

Floors:	Carpet and wood
Walls:	Wood paneling
Ceiling:	Drywall, Blown Textured
Lighting:	Track lighting, recessed, hanging fixtures
Restrooms:	Men's and ladies' restrooms

Mechanical Systems

Electrical:	Adequate
Plumbing:	Men's and Ladies' restrooms
Heating:	Central system
Air Conditioning:	Window Units
Fire Protection/Sprinklers:	None



Legal, Conforming Status

Legally Permitted Use: Yes
Conforms to Parking Standards: Yes
Conformity Conclusion: Conforms

Improvement Ratings

Quality: Average
Condition: Poor to Fair
Functional Utility: Average
Overall Rating: Fair to Average

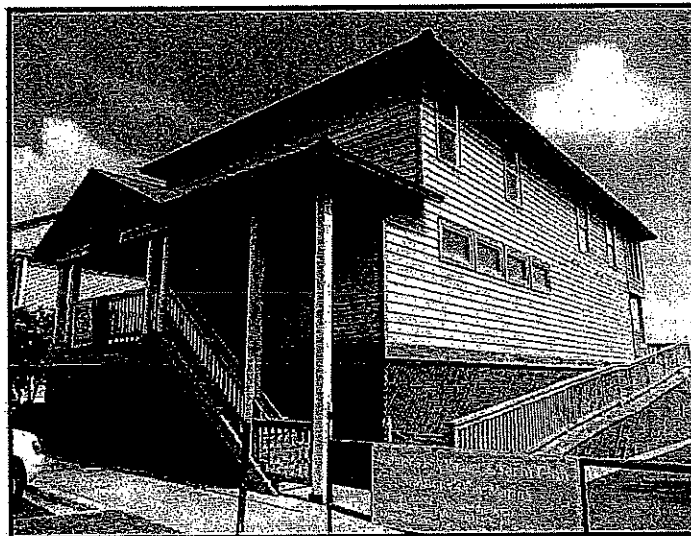
Deferred Maintenance

There is rotting wood on the exterior and particularly on the stairs leading from the ground to the first habitable floor. The interior of the unit also needs cosmetic renovation and heating and air conditioning. Typically the exterior of condominium buildings is part of the common area and should be fixed by the homeowner's association. However, there are no written rules that required dock owners to share in repairs of this building. Therefore, any purchaser of the subject will responsible for all repairs to make the unit habitable.

Subject Photos



Front of building – Unit 1-A on the first habitable floor



Another view of the front and west side of the building. Note the stairs on the west are not usable due to rot.



Rear of building



View of the 1st floor deck.

Additional photos are included in the Addenda

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANTOR AGREES TO ITS TERMS.

GRANTOR:

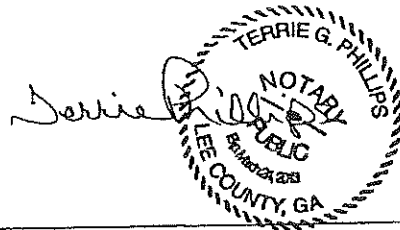
LAW FIRM FINANCE, LLC

By: [Signature]
Glenn A. Kirbo, Manager of Law Firm Finance, LLC

Signed, acknowledged and delivered in the presence of:

X [Signature]
Witness

X [Signature]
Witness



LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

STATE OF Georgia)
) SS
COUNTY OF Dougherty)

PERSONALLY appeared before me and made oath that he or she saw the within-named Grantor(s) sign, seal, and, as his or her act and deed, deliver the within-written Mortgage for the uses and purposes therein mentioned, and that he or she with the other witness subscribed above witnessed the execution thereof.

[Signature]
(Witness)

SWORN to before me this 21st day of December, A.D. 2009
[Signature] (Seal)
Notary Public

My Commission expires: _____

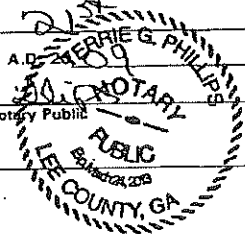


EXHIBIT A

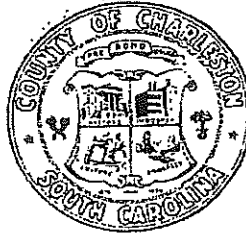
DOCK UNIT C21 AND C22 MARINERS CAY HPR AN HPR ESTABLISHED PURSUANT TO SOUTH CAROLINA HPR ACT SC CODE SECTION 27-31-10 ET SEQ AND SUBMITTED BY MASTER DEED OF MARINERS CAY HPR DATED MAY 11, 2006 AND RECORDED IN THE CHARLESTON COUNTY RMC OFFICE IN BOOK V583 AT PAGE 584 AS AMENDED BY THAT MASTER DEED OF MARINERS CAY HPR RECORDED IN BOOK X618 AT PAGE 603 AS SHOWN AND DELINEATED ON THAT CERTAIN PLAT ENTITLED "EXHIBIT B" TO THE MASTER DEED OF MARINERS CAY HPR "SURVEY SHOWING SHIPS STORE, EASEMENT AND MARINA FACILITIES MARINERS CAY MARINA AT MARINERS CAY CITY OF FOLLY BEACH CHARLESTON COUNTY SOUTH CAROLINA DATED DECEMBER 27, 2005, REVISED APRIL 28, 2006" AND RECORDED IN THE CHARLESTON COUNTY RMC OFFICE AS EXHIBIT B OF THE AFORMENTIONED MASTER DEED.

BEING THE SAME PROPERTY CONVEYED TO LAW FIRM FINANCE BY DEED OF FLINT RIVER CAPITAL, LLC DATED NOVEMBER 21, 2001 AND RECORDED IN BOOK V583 AT PAGE 584.

TMS#328-00-00-507 (11.112% INTEREST IN COMMON ELEMENTS)- UNIT C21

TMS#328-00-00-508 (11.112% INTEREST IN COMMON ELEMENTS)-UNIT C22

RECORDER'S PAGE



NOTE: This page MUST remain with the original document

Filed By:

BEVON LAW FIRM
350-B FOLLY ROAD

CHARLESTON, SC 29412

RECORDED		
Date:	December 22, 2009	
Time:	2:07:24 PM	
Book	Page	DocType
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Charlie Lybrand, Register Charleston County, SC		

RMC BK 0098 Pg 561 : pg 8 *

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Handwritten signature

MAKER:

LAW FIRM FIN LLC

RECIPIENT:

FIRST SOUTH BK

of Sats: # of Pages:
of References:

Note:

Original Book:

Original Page:

Recording Fee	\$ 10.00
Extra Reference Cost	\$ -
Extra Pages	\$ 3.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 13.00

DRAWER

CLERK



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Recorded Date



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STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

IN THE COURT OF COMMON PLEAS
FOR THE NINTH JUDICIAL CIRCUIT

First South Bank,)
)
Plaintiff,)

C/A No. 2013-CP-10-850

v.)

AFFIDAVIT OF DEBT

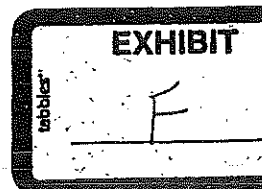
Tiger River Capital, LLC, Law)
Firm Finance, LLC, Mariner's Cay)
Marina Council of Co-Owners, Inc.,)
and Mariner's Cay Racquet and)
Yacht Club Homeowners Asso.,)
Inc.,)

Defendants.)
)
)

PERSONALLY appeared before me, Dieter Cortez, who, being first duly sworn, deposes and states:

1. My name is Dieter Cortez. I am over the age of 18 and I am competent to make this affidavit. I am employed as a Workout Specialist with Sabal Financial Group, L.P.
2. I am personally familiar with the note and mortgages which are the subject of this foreclosure action. Sabal Financial Group, L.P. is the servicer of the note described in the complaint as the Tiger River and Law Firm Note and the mortgages described in the complaint as the Units 1-A and 1-B First Mortgage and Units C-21 and C-22 First Mortgage. Emerald Portfolio, LLC, is the owner and holder of the note and mortgages. Sabal Financial Group, L.P. is authorized under its servicing agreement to have its authorized agent or employee sign this affidavit. I am employed by Sabal Financial Group, L.P. and I am authorized to sign this affidavit.

ROA 2663



3. As of November 5, 2010, defendants Tiger River Capital, LLC and Law Firm Finance, LLC are in default under the terms of the Tiger River and Law Firm Note and the Units 1-A and 1-B and Units C-21 and C-22 First Mortgages.

4. I have reviewed the records of Sabel Financial Group, L.P., regarding the note and mortgages and I am knowledgeable of the debt owed by defendants, Tiger River Capital, LLC and Law Firm Finance, LLC on the Tiger River and Law Firm Note.

5. As of January 15, 2015, the following amounts are due and owing pursuant to the terms of the Tiger River and Law Firm Note and the Units 1-A and 1-B and Units C-21 and C-22 First Mortgages:

- a. Principal: \$400,000.00
- b. Interest through January 15, 2015
at the rate default rate provided in the note:
\$168,133.28
- c. Late Fees: \$ 5,747.91
- d. Inspection Fees paid:
\$ 105.00
- e. Real Property Taxes paid:
\$ 13,652.10
- f. Legal fees paid prior to foreclosure for collection purposes:
\$ 1,656.34

**Total Debt Amount as
of January 15, 2015**

\$589,294.63


6. Also due and owing on the express terms of the Tiger River and Law Firm Note and the Units 1-A and 1-B and Units C-21 and C-22 First Mortgages are costs of collection, including a reasonable attorney's fee.

7. By my signature on this affidavit, Sabal Financial Group, LLC, servicer for Emerald Portfolio, LLC, the owner and holder of the note and mortgages, authorizes Louis H. Lang, Esq., of the law firm of Callison Tighe & Robinson, LLC, or his designee, to testify and present evidence at the default hearing set in this matter for January 15, 2015.

FURTHER, THE AFFIANT SAYETH NOT.

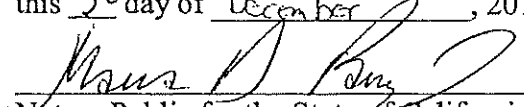
Sabal Financial Group, LLC

By:

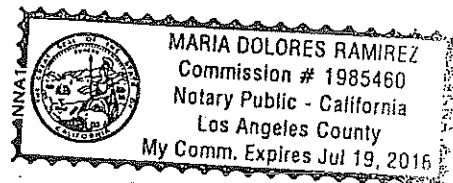

Dieter Cortez

Its: Workout Specialist

Sworn to and subscribed before me
this 30 day of December, 2014.


Notary Public for the State of California

My Commission Expires: 7/19/15



STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)
)
 Emerald Portfolio, LLC)
)
 Plaintiff,)
)
 v.)
)
 Tiger River Capital, LLC, Law)
 Firm Finance, LLC, Mariner's Cay)
 Marina Council of Co-Owners, Inc.,)
 and Mariner's Cay Racquet and)
 Yacht Club Homeowners Asso.,)
 Inc.,)
)
 Defendants.)
)

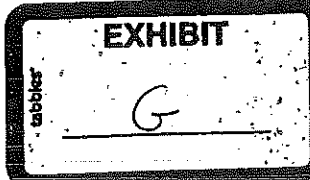
IN THE COURT OF COMMON PLEAS
 FOR THE NINTH JUDICIAL CIRCUIT
 C/A No. 2013-CP-10-850

**AFFIDAVIT OF ATTORNEY'S
 FEES AND COSTS**

PERSONALLY APPEARED BEFORE ME, Louis H. Lang, who, being duly sworn, deposes and says:

This law firm was retained by the Plaintiff to foreclose the Mortgages as expeditiously as possible, given the detriment to Plaintiff's equity position as a direct result of increasing losses from the running of interest. Upon receipt of the case file, title was ordered and examined to identify all parties having or claiming any interest in the subject property. The following non-inclusive list of pleadings and other documents have been prepared or reviewed in this action:

1. Lis Pendens
2. Summons & Complaint
3. Affidavits of Service
4. Defendant Mariner's Cay Marina Council of Co-Owners, Inc.'s Answer to Complaint
5. Defendant Mariner's Cay Racquet and Yacht Club Homeowners Asso., Inc.'s Answer to Complaint
6. Affidavits of Default
7. Consent Order of Reference



8. Consent Order Extending Order of Reference
9. Consent Order Substituting Plaintiff
10. Notice of Hearing
11. Transcript of Testimony
12. Proposed Order of Judgment for Foreclosure and Sale
13. Notice of Sale
14. Affidavit of Debt
15. Affidavit of Attorney's Fees and Costs
16. Affidavit of Commercial Loan

Additionally, the pleadings were drafted and served upon the Defendants personally and/or by statutory/substitute service; review and handling of title issues; reinstatement and payoff figures and payment histories were provided as requested or required.

Future duties include forwarding copies of the signed and filed Order of Judgment of Foreclosure and Sale to Defendants, obtaining bidding instructions from Plaintiff, representing Plaintiff at the sale or arranging for such representation, preparing the Master's Report on Sale and Disbursements, if needed, and preparing the Foreclosure Deed and any other documents that may be necessary in this particular action.

My regular hourly rate is \$275.00 and my paralegal's hourly rate is \$105.00. I worked approximately 20.0 hours on the foreclosure aspect of this case, Mrs. Milliken worked approximately 12.3 hours, my legal assistant worked approximately 4.0 hours, and my paralegal worked approximately 3.5 hours on this case.

In addition to the time expended to date in prosecution of this action, I anticipate approximately an additional six (6) hours at the hearing, which includes travel time and time for my preparation, and an additional one (1) hour after the hearing. I reserve the right to re-visit the question of attorney's fees should the action proceed in an unexpected way.

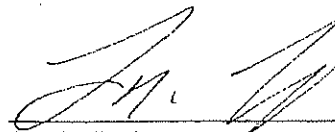
In regard to the professional standing of counsel, I was admitted into the practice of law in

South Carolina in 1982 and am an active member of the South Carolina Bar Association. I am also admitted to the United States District Court for the District of South Carolina and the Fourth Circuit Court of Appeals. I am a member of the law firm of Callison, Tighe & Robinson, LLC with an emphasis in litigation. I am rated "AV" by Martindale-Hubbell, its highest rating, indicating "Very High to Preeminent" legal abilities and "Very High" general ethical standards as is my firm. I am the attorney of record for the Plaintiff in the above-captioned action. The services rendered on behalf of Plaintiff have been performed by me or those under my direction.

Based upon the fact that the above-captioned matter dealt with issues outside the scope of a normal foreclosure action, as well as my firm's status in the legal community, fees customarily charged for a matter such as this, and the complexity of this matter, I think that a reasonable attorney fee for this matter is \$7,500.00. Further, my firm has incurred \$1,904.50 in costs during the course of the prosecution of this matter and will incur additional costs of publication in connection with the sale of the Subject Properties. I believe that all services performed were reasonable and necessary for the proper representation of my client.

I am requesting that the Court review the file, this Affidavit, and the evidence presented to the Court and grant Plaintiff a reasonable sum of attorneys' fees and costs to date.

Further, deponent sayeth naught.



Louis H. Lang
Attorney for Plaintiff

SWORN TO AND SUBSCRIBED
before me this 15 day of January, 2015.
Katie A Minter (L.S.)
Notary Public for South Carolina
My commission expires: 2/25/2018

KATIE A. MINTON, PARALEGAL
803-404-6900
katieminton@callisontighe.com

CALLISON  TIGHE

March 4, 2015

Honorable Mikell R. Scarborough
Charleston County Master-in-Equity
Attn: Judy Dawkins
100 Broad St., Ste. 266
Charleston SC 29401-2243

Re: *First South Bank v. Tiger River Capital, LLC, et al.*
Case No: 2013-CP-10-850
CTR No: 1027.230

Dear Judge Scarborough:

Enclosed please find the original and one (1) copy of the Corrective Consent Order Substituting Plaintiff in connection with the above-referenced matter. I am also enclosing our firm's check in the amount of \$25.00 representing the Clerk of Court's filing fee.

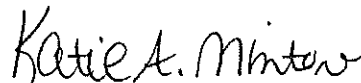
If the Order meets your approval, I would kindly ask that it be executed and forwarded to the Clerk of Court for filing. I am enclosing a self addressed stamped return envelope for the Clerk's convenience and ask that the Clerk return a clocked-in copy of same to me.

Should you have any questions, please do not hesitate to contact me.

With kind regards, I am

Sincerely yours,

CALLISON TIGHE & ROBINSON, LLC

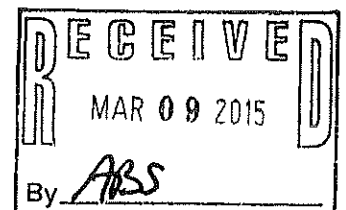


Katie A. Minton
Paralegal

/kam

Enclosure

cc: Lydia P. Davidson, Esq. (Mariner's Cay Racquet) (w/ encl.)
Derek F. Dean, Esq. (Mariner's Cay Marina) (w/ encl.)
Glenn A. Kirbo, Esq., RA for Law Firm Finance, LLC (w/ encl.)
Melanie R. McDonald, Claims Rep. (w/ encl.)
G:\1000\1027.230\Correspondence\Scarborough.003.wpd



ROA 2669



BP0555946

PGS:

7

PREPARED BY JAMES M. ALLISON, PA: P. O. BOX 8633 (109 E. NORTH STREET); GREENVILLE, SC 29604

STATE OF SOUTH CAROLINA)	
)	TITLE TO REAL ESTATE
COUNTY OF CHARLESTON)	(LIMITED WARRANTY)

KNOW ALL MEN BY THESE PRESENTS that EMERALD McDONOUGH ROAD HOLDINGS, LLC for and in consideration of FORTY THOUSAND AND NO/100 (\$40,000.00) DOLLARS and no other consideration has/have granted, bargained, sold, and released and by these presents do/does hereby grant, bargain, sell and release, subject, however, to all such easements, restrictions, reservations and conditions as may be set forth below, unto **MARINERS CAY FUEL DOCK LLC:**

SEE EXHIBIT "A" ATTACHED HERETO

TAX MAP NUMBERS: 328-00-00-507 and 328-00-00-508

Grantees' Address: 1440 Battalion Drive, Charleston, SC 29412

THIS conveyance is made subject to any restrictions, rights-of-way, easements, zoning ordinances or other matters which may appear of public record or which an inspection or more recent survey of the premises would or should reveal.

together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining; to have and to hold all and singular the premises before mentioned, subject, however, to all such easements, restrictions, reservations and conditions as may be set forth herein, unto the Grantee(s) and the Grantee's(s') heirs or successors and assigns, forever. And, the Grantor(s) does(do) hereby bind the Grantor(s) and the Grantor's(s') heirs or successors, executors and administrators to warrant and forever defend all and singular the said premises unto the Grantee(s) against only the Grantor(s) and those persons lawfully claiming or seeking to claim the same or any part there through the Grantor(s), subject, however, to all such easements, restrictions, reservations and conditions as may be set forth herein.

WITNESS the Grantor's(s') hand(s) and seal(s) this 19 day of MAY, 2016.

SIGNED, sealed and delivered in the presence of:

EMERALD McDONOUGH ROAD HOLDINGS, LLC, a S. C. limited liability company

BY: Sabal Financial Group, L.P., its manager

BY: [Signature] (SEAL)

NAME: Mark E. Foster

TITLE: Vice President & General Counsel

[Signature]
(witness #1)

[Signature]
(witness #2/Notary Public)

Weeks & Irvine, LLC
8086 Rivers Avenue
2nd Floor
North Charleston, SC 29406

16-219272 Mariners Cay
5/16/16

ROA 2671

1219.0019
Mariners Cay

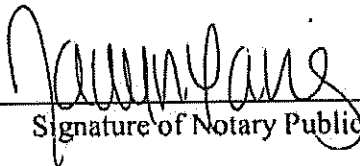
"A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

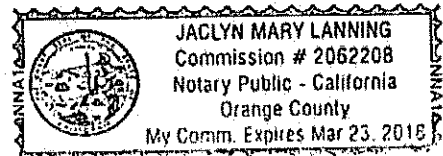
(STATE OF CALIFORNIA)
COUNTY OF ORANGE)

On May 19, 2016, before me, Jaclyn Mary Lanning, Notary Public, personally appeared Mark E. Foster, 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/their 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(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (SEAL)
Signature of Notary Public



ROA 2672

1219.0019
Mariners Cay

EXHIBIT A

LEGAL DESCRIPTION

Dock Unit C21 and C22, Mariners Cay HPR, and HPR established pursuant to South Carolina HPR Act, SC Code Section 27-31-10 et seq. and submitted by Master Deed of Mariners Cay HPR dated May 11, 2006, and recorded in the Office of the Register of Deeds for Charleston County in Book V583 at Page 584, as amended by that Master Deed of Mariners Cay HPR, recorded in Book X618 at Page 603, as shown and delineated on that certain plat entitled "Exhibit B" to the Master Deed of Mariners Cay HPR "Survey showing ships store, Easement and Marina Facilities Mariners Cay Marina at Mariners Cay, City of Folly Beach, Charleston County, South Carolina dated December 27, 2005, revised April 28, 2006" and recorded in the Office of the Register of Deeds for Charleston County as Exhibit "B" of the aforementioned Master Deed.

THE above described property is the same acquired by Emerald McDonough Road Holdings, LLC by Quit Claim Deed of Emerald Portfolio, LLC dated November 9, 2015 and recorded in the Office of the Register of Deeds for Charleston County on November 13, 2015 in Deed Book 0517 at Page 166.

TAX MAP NUMBERS: 328-00-00-507
328-00-00-508

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

) AFFIDAVIT
)

Date of Transfer of Title
May 19, 2016

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property is being transferred by Emerald McDonough Road Holdings, LLC TO Mariners Cay Fuel Dock LLC on May 19, 2016.
3. Check one of the following: The deed is:
 - a. subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - b. subject to the deed recording fee as a transfer between a corporation, a partnership or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - c. EXEMPT from the deed recording fee because _____ (Explanation, if required: n/a If exempt, please skip items 4-6 and go to item No. 7 of this affidavit.
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 - a. The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$40,000.00.
 - b. The fee is computed on the fair market value of the realty, which is \$ _____.
 - c. The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check YES or NO to the following: A lien or encumbrance existed on the land, tenement or realty before the transfer and remained on the land, tenement or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 - a. \$40,000.00 the amount listed in Item No. 4 above
 - b. \$0.00 the amount listed on Item No. 5 above (no amount, please zero)
 - c. \$40,000.00 subtract Line 6(b) from Line 6(a) and place the result here.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as Grantor.

8. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year or both.

STATE OF SOUTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public for the County of Charleston and State of South Carolina, do hereby certify that Emerald McDonough Road Holdings, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the ____ of _____, 2016.

Notary Public
My Commission Expires:
(SEAL)

MSJ

Grantor, Grantee or Legal Representative
Connected with this Transaction

Emerald McDonough Road Holdings, LLC
Print or Type Name Here

SEE ATTACHMENT

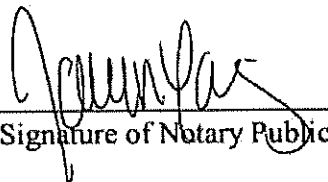
"A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

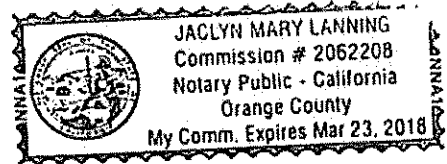
(STATE OF CALIFORNIA)
COUNTY OF ORANGE)

On May 19, 2016, before me, Jaclyn Mary Lanning, Notary Public, personally appeared Mark E. Foster, 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/their 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(s) acted, executed the instrument.

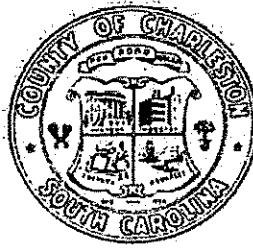
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (SEAL)
Signature of Notary Public



RECORDER'S PAGE



NOTE: This page **MUST** remain with the original document

Filed By:

WEEKS & IRVINE LLC

RECORDED

Date: May 24, 2016

Time: 10:44:26 AM

Book	Page	DocType
0555	946	Deed

Charlie Lybrand, Register
Charleston County, SC

MAKER:

EMERALD MCDONOUGH RD ETC

Note:

RECIPIENT:

MARINERS CAY FUEL ETC

of Pages: 7

Recording Fee	\$ 10.00
State Fee	\$ 104.00
County Fee	\$ 44.00
Extra Pages	\$ 2.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 160.00

Original Book:

Original Page:

DRAWER: Drawer 1
CLERK: KLH

AUDITOR STAMP HERE

RECEIVED From RMC

MAY 25 2016

Peter J. Tecklenburg
Charleston County Auditor

PID VERIFIED BY ASSESSOR

REP: MKJ

DATE: 5/26/16

37



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Book



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Recorded Date



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Original Book



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PREPARED BY JAMES M. ALLISON, PA; P. O. BOX 8633 (109 E. NORTH STREET); GREENVILLE, SC 29604

STATE OF SOUTH CAROLINA)	
)	TITLE TO REAL ESTATE
COUNTY OF CHARLESTON)	(LIMITED WARRANTY)

KNOW ALL MEN BY THESE PRESENTS that EMERALD McDONOUGH ROAD HOLDINGS, LLC for and in consideration of TWO HUNDRED TEN THOUSAND AND NO/100 (\$210,000.00) DOLLARS and no other consideration has/have granted, bargained, sold, and released and by these presents do/does hereby grant, bargain, sell and release, subject, however, to all such easements, restrictions, reservations and conditions as may be set forth below, unto MARINERS CAY MARINA CONDO LLC:

SEE EXHIBIT "A" ATTACHED HERETO

TAX MAP NUMBERS: 328-00-00-544 and 328-00-00-545

Grantees' Address: 1440 Battalion Drive, Charleston, SC 29412

THIS conveyance is made subject to any restrictions, rights-of-way, easements, zoning ordinances or other matters which may appear of public record or which an inspection or more recent survey of the premises would or should reveal.

together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining; to have and to hold all and singular the premises before mentioned, subject, however, to all such easements, restrictions, reservations and conditions as may be set forth herein, unto the Grantee(s) and the Grantee's(s') heirs or successors and assigns, forever. And, the Grantor(s) does(do) hereby bind the Grantor(s) and the Grantor's(s') heirs or successors, executors and administrators to warrant and forever defend all and singular the said premises unto the Grantee(s) against only the Grantor(s) and those persons lawfully claiming or seeking to claim the same or any part there through the Grantor(s), subject, however, to all such easements, restrictions, reservations and conditions as may be set forth herein.

WITNESS the Grantor's(s') hand(s) and seal(s) this 19th day of May, 2016.

SIGNED, sealed and delivered
in the presence of

EMERALD McDONOUGH ROAD HOLDINGS,
LLC, a S. C. limited liability company

BY: Sabal Financial Group, L.P., its manager

(witness #1)

BY:

(SEAL)

NAME: R. PATTERSON JACKSON
TITLE: CHIEF EXECUTIVE OFFICER

(witness #2/Notary Public)

Weeks & Irvine, LLC
8086 Rivers Ave. 2nd Floor
North Charleston, SC 29406

ROA 2679

16-219174 Marineres

1219.0019
Mariners Cay

5-16

"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, accuracy, or validity of that document."

STATE OF CALIFORNIA)
COUNTY OF ORANGE)

On May 19, 2016, before me, R. Cheng, Notary Public, personally appeared R. Patterson Jackson, 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/their 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(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *R. Cheng* (SEAL)
Signature of Notary Public

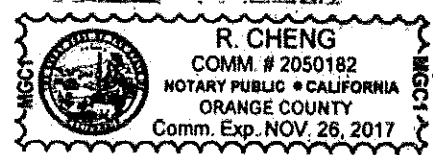


EXHIBIT A

LEGAL DESCRIPTION

ALL right, title and interest in and to any and all real property rights, permits, licenses, structures, fixtures, facilities, and other associated items comprising the building consisting of a two story wood frame structure on timber piles commonly known as the Ship Store containing Commercial Unit 1-A on the first floor plus a wood ramp and wooden decking and Commercial Unit 1-B on the second floor, said real estate being located on the northern banks of the Folly River to the west of Folly Road between the said Folly Road and Stono River in the County of Charleston, State of South Carolina, described more fully in that certain title to real estate dated May 16, 2007 and recorded in the Office of the Register of Deeds for Charleston County in Book A626 at Page 629.

THE above described property is the same acquired by Emerald McDonough Road Holdings, LLC by Quit Claim Deed of Emerald Portfolio, LLC dated November 9, 2015 and recorded in the Office of the Register of Deeds for Charleston County on November 13, 2015 in Deed Book 0517 at Page 162.

TAX MAP NUMBERS: 328-00-00-544
328-00-00-545

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

) AFFIDAVIT
)

Date of Transfer of Title
May 20, 2016

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property is being transferred by Emerald McDonough Road Holdings, LLC TO Mariners Cay Marina Condo LLC on May 20, 2016.
3. Check one of the following: The deed is:
subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - a. X worth.
 - b. subject to the deed recording fee as a transfer between a corporation, a partnership or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - c. EXEMPT from the deed recording fee because _____ (Explanation, if required: n/a If exempt, please skip items 4-6 and go to item No. 7 of this affidavit).
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 - a. X The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$210,000.00.
 - b. The fee is computed on the fair market value of the realty, which is \$ _____.
 - c. The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check YES or NO to the following: A lien or encumbrance existed on the land, tenement or realty before the transfer and remained on the land, tenement or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 - a. \$210,000.00 the amount listed in Item No. 4 above
 - b. \$0.00 the amount listed on Item No. 5 above (no amount, please zero)
 - c. \$210,000.00 subtract Line 6(b) from Line 6(a) and place the result here.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as Grantor.

8. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year or both.

**Emerald McDonough Road Holdings, LLC,
A South Carolina limited liability company**

BY: Sabal Financial Group, L.P.,
its Manager

BY: [Signature]
NAME: R. Patterson Jackson
TITLE: Chief Executive Officer

STATE OF SOUTH CAROLINA

COUNTY OF _____

I, _____, a Notary Public for
the County of Charleston and State of South Carolina, do
hereby certify that

_____ as
_____ of Emerald
McDonough Road Holdings, LLC personally appeared
before me this day and acknowledged the due execution
of the foregoing instrument.

Witness my hand and official seal, this the _____ of May,
2016.

Notary Public
My Commission Expires:
(SEAL)

SEE ATTACHMENT

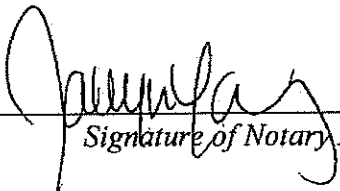
"A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

STATE OF CALIFORNIA)
COUNTY OF ORANGE)

On May 19, 2016, before me, Jaclyn Mary Lanning, Notary Public, personally appeared R. Patterson Jackson, 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/their 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(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (SEAL)
Signature of Notary Public



RECORDER'S PAGE



NOTE: This page **MUST** remain with the original document

Filed By:

WEEKS & IRVINE LLC

RECORDED		
Date:	May 25, 2016	
Time:	4:33:39 PM	
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0556	511	Deed
Charlie Lybrand, Register Charleston County, SC		

MAKER:

EMERALD MCDONOUGH RD ETC

of Pages: 7

Note:

RECIPIENT:

MARINERS CAY MARINA CONDO

Recording Fee	\$ 10.00
State Fee	\$ 546.00
County Fee	\$ 231.00
Extra Pages	\$ 2.00
Postage	\$ -
Chattel	\$ -
TOTAL	\$ 789.00

Original Book:

Original Page:

DRAWER: Drawer 2
CLERK: JBA

AUDITOR STAMP HERE
RECEIVED From RMC
 MAY 27 2016
 Peter J. Tecklenburg
 Charleston County Auditor

PID VERIFIED BY ASSESSOR
 REP: MKD
 DATE: 5/31/16
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RE recording
TO ADD BILL OF
SALE AS EXHIBIT B

PREPARED BY JAMES M. ALLISON, PA: P. O. BOX 8633 (109 E. NORTH STREET); GREENVILLE, SC 29604

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

TITLE TO REAL ESTATE
(LIMITED WARRANTY)

KNOW ALL MEN BY THESE PRESENTS that EMERALD McDONOUGH ROAD HOLDINGS, LLC for and in consideration of FORTY THOUSAND AND NO/100 (\$40,000.00) DOLLARS and no other consideration has/have granted, bargained, sold, and released and by these presents do/does hereby grant, bargain, sell and release, subject, however, to all such easements, restrictions, reservations and conditions as may be set forth below, unto **MARINERS CAY FUEL DOCK LLC:**

SEE EXHIBIT "A" ATTACHED HERETO

TAX MAP NUMBERS: 328-00-00-507 and 328-00-00-508

Grantees' Address: 1440 Battalion Drive, Charleston, SC 29412

THIS conveyance is made subject to any restrictions, rights-of-way, easements, zoning ordinances or other matters which may appear of public record or which an inspection or more recent survey of the premises would or should reveal.

together with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in any wise incident or appertaining; to have and to hold all and singular the premises before mentioned, subject, however, to all such easements, restrictions, reservations and conditions as may be set forth herein, unto the Grantee(s) and the Grantee's(s') heirs or successors and assigns, forever. And, the Grantor(s) does(do) hereby bind the Grantor(s) and the Grantor's(s') heirs or successors, executors and administrators to warrant and forever defend all and singular the said premises unto the Grantee(s) against only the Grantor(s) and those persons lawfully claiming or seeking to claim the same or any part there through the Grantor(s), subject, however, to all such easements, restrictions, reservations and conditions as may be set forth herein.

WITNESS the Grantor's(s') hand(s) and seal(s) this 19 day of MAY, 2016.

SIGNED, sealed and delivered
in the presence of:

EMERALD McDONOUGH ROAD HOLDINGS,
LLC, a S. C. limited liability company

BY: Sabal Financial Group, L.P., its manager

BY: [Signature] (SEAL)
NAME: Mark E. Foster
TITLE: Vice President & General Counsel

[Signature]
(witness #1)
[Signature]
(witness #2/Notary Public)

Weeks & Irvine, LLC
8086 Rivers Avenue
2nd Floor
North Charleston, SC 29406
16-2192 TL Mariners
Cay
5768

PGS: 9
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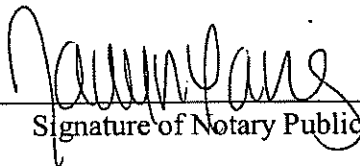
"A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

(STATE OF CALIFORNIA)
COUNTY OF ORANGE)

On May 19, 2016, before me, Jaclyn Mary Lanning, Notary Public, personally appeared Mark E. Foster, 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~~/~~their~~ 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(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (SEAL)
Signature of Notary Public

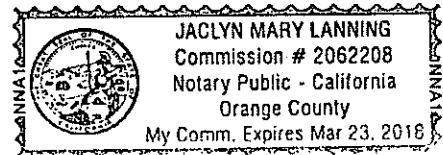


EXHIBIT A

LEGAL DESCRIPTION

Dock Unit C21 and C22, Mariners Cay HPR, and HPR established pursuant to South Carolina HPR Act, SC Code Section 27-31-10 et seq. and submitted by Master Deed of Mariners Cay HPR dated May 11, 2006, and recorded in the Office of the Register of Deeds for Charleston County in Book V583 at Page 584, as amended by that Master Deed of Mariners Cay HPR, recorded in Book X618 at Page 603, as shown and delineated on that certain plat entitled "Exhibit B" to the Master Deed of Mariners Cay HPR "Survey showing ships store, Easement and Marina Facilities Mariners Cay Marina at Mariners Cay, City of Folly Beach, Charleston County, South Carolina dated December 27, 2005, revised April 28, 2006" and recorded in the Office of the Register of Deeds for Charleston County as Exhibit "B" of the aforementioned Master Deed.

THE above described property is the same acquired by Emerald McDonough Road Holdings, LLC by Quit Claim Deed of Emerald Portfolio, LLC dated November 9, 2015 and recorded in the Office of the Register of Deeds for Charleston County on November 13, 2015 in Deed Book 0517 at Page 166.

TAX MAP NUMBERS: 328-00-00-507
328-00-00-508

Assessment and Tax Data

Assessment Methodology

Property taxes are based upon an appraisal of the property prepared by the Charleston County Tax Assessor's Office. An appraisal is conducted every five years on properties located within Charleston County and the values are in theory appraised at 100% of market value. This is commonly known as an "equalization" program.

In November 2006, South Carolina voters approved a Constitutional Amendment changing the State's ad valorem tax system. Under the new Law, a property's tax appraisal will increase no more than 3% per year or 15% during each 5 year Equalization cycle, unless there is transferable interest. A transferable interest includes sales, gifts, inheritance, and long term leases (those in excess of 20 years). The acronym used by the Assessor is "Asset Transferable Interest" (ATI).

When any property encounters an ATI, the Assessor is required to re-appraise it at market value for the following tax year. This method of real estate taxation has created property tax appraisal inequities between ATI and non-ATI properties and this inequity has caused inequitable property taxes for like properties.

It is important to understand current legislation caps increases from the previous equalization program to a maximum of 3% per year or 15% over the 5 year equalization cycle. So unless there is a physical change to a property or it is a new parcel or new construction, future increases are capped at 3% per year maximum. Because of this, taxable value can be based upon "capped values" which are less than the Assessor's market value property tax appraisal at the time of equalization.

In 2012, the law was amended to exempt property taxes due on the first 25% of any increase in property tax re-appraisal as a result of an ATI. This exemption only applies to properties that are taxed at a 6% assessment ratio.

Also, the exemption cannot result in a reduction in the property tax that is less than the property tax due under the prior year market value tax appraisal (not the cap value). Therefore, if the market value re-appraisal is greater than the prior market value appraisal when an ATI occurs, property tax will not change unless the new value is greater than 25% of the prior value.

At the same time, if an ATI occurs and market value at the time of the ATI is less than the current Assessor's market value appraisal, property taxes will likely decrease in the following tax year.

This tax system has been in place for a sufficient amount of time that buyers and sellers understand the effects of an ATI. This appraisal is made assuming a buyer would anticipate an ATI.

Assessed Values and Property Taxes

The appraised value(s) are shown in the accompanying chart along with the current property tax due as well as an estimate of the property due for the first year of a holding period.



Ad Valorem Tax Schedule
Tax Parcel Number: 328-00-00-544

Charleston County		Actual
Year		2015
Appraised Value		
Land		\$150,000
Improvements		\$95,000
Total		\$245,000
Per Square Foot		\$181.21
% Change		N/A
Assessment Ratio		
Land		6.00%
Improvements		6.00%
Assessed Value		
Land		\$9,000
Improvements		\$5,700
Total		\$14,700
% Change		N/A
Tax Rate		
		\$221.000000
% Change		N/A
Millage Rate		
		per \$1,000
Tax Expense		
		Actual
		2015
Total		\$3,249
Special Assessments		\$0
Total Tax		\$3,249
Per Square Foot		\$2.40

Highest and Best Use

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Analysis of Highest and Best Use As If Vacant

In determining the highest and best use of the property as if vacant, we examine the potential for: 1) near term development, 2) a subdivision of the site, 3) an assemblage of the site with other land, or 4) holding the land as an investment.

Legally Permissible

The subject site is zoned residential multi-family, which controls the general nature of permissible uses but is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical attributes allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences are described in the Site Description and have been considered. There are no items of a physical nature that would materially limit appropriate and likely development.

Financially Feasible

The probable use of the site for commercial development conforms to the pattern of land use in the market area. A review of published yield, rental and occupancy rates suggest that there is a balanced supply and demand is sufficient to support construction costs and ensure timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is for water oriented commercial use.

Conclusion of Highest and Best Use As If Vacant

The conclusion of the highest and best use as if vacant is for water oriented commercial use.



Valbridge
PROPERTY ADVISORS

MARINERS CAY UNIT 1-A
HIGHEST AND BEST USE

Analysis of Highest and Best Use as Improved

In determining the highest and best use of the property as improved, the focus is on three possibilities for the property: 1) continuation of the existing use, 2) modification of the existing use, or 3) demolition and redevelopment of the land.

Retaining the improvements as they exist meets the tests for physical possibility, legal permissibility and financial feasibility. The improvements are in poor to fair condition and any alternative use of the existing improvements is unlikely to be economically feasible. The market value of the property as improved exceeds the combination of vacant site value plus cost of demolition of the improvements. Therefore demolition and redevelopment of the site is not maximally productive.

Conclusion of Highest and Best Use As Improved

The highest and best use of the subject property, as improved, is retail/residential use.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is owner/user.

Appraisal Methodology

Three Approaches to Value

There are three traditional approaches typically available to develop indications of real property value: the cost, sales comparison, and income capitalization approaches.

Cost Approach

The cost approach is based upon the principle that a prudent purchaser would pay no more for a property than the cost to purchase a similar site and construct similar improvements without undue delay, producing a property of equal desirability and utility. This approach is particularly applicable when the improvements being appraised are relatively new or proposed, or when the improvements are so specialized that there are too few comparable sales to develop a credible Sales Comparison Approach analysis.

Sales Comparison Approach

In the sales comparison approach, the appraiser analyzes sales and listings of similar properties, adjusting for differences between the subject property and the comparable properties. This method can be useful for valuing general purpose properties or vacant land. For improved properties, it is particularly applicable when there is an active sales market for the property type being appraised – either by owner-users or investors.

Income Capitalization Approach

The income capitalization approach is based on the principle that a prudent investor will pay no more for the property than he or she would for another investment of similar risk and cash flow characteristics. The income capitalization approach is widely used and relied upon in appraising income-producing properties, especially those for which there is an active investment sales market.

Subject Valuation

As stated within the Scope of Work, we have relied upon the Sales Comparison and Income Capitalization Approaches. If an approach has been omitted, the reason for that exclusion is also stated within the Scope of Work.



Sales Comparison Approach

Methodology

This approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. In the sales comparison approach, an indication of market value is developed by analyzing closed sales, listings, or pending sales of properties similar to the subject property, using the most relevant units of comparison. The comparative analysis focuses on the difference between the comparable sales and the subject property using all appropriate elements of comparison.

Unit of Comparison

The primary unit of comparison selected depends on the appraisal problem and nature of the property. The primary unit of comparison in the market for retail properties such as the subject property is price per square foot of net rentable building area.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The main elements of comparison that should be considered in sales comparison analysis are as follows: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location and (7) physical characteristics.

Comparable Sales Data

A search of data sources and public records, a field survey, interviews with knowledgeable real estate professionals in the area, as well as a review of our internal database was also conducted to obtain and verify comparable sales and listings of retail properties.

We have included five sales in our analysis, as these sales are judged to be the most comparable in developing an indication of the market value of the subject property. The following table summarizes each of the sale comparables and is followed by a map displaying the location of each comparable in relation to the subject. Summary sheets detailing each comparable follow the location map.



Improved Sales Summary

Comp. No.	Date of Sale	Property Name	Location	Year Built	Net Rentable Area	Occupancy	Time of Sale	Unadjusted Sale Price	PSF
1	May-16	Building E - Carriage Lane Offices	1 Carriage Lane, Bldg E Charleston, South Carolina	1988	3,518			\$400,000	\$113.70
2	December-15	Wappoo Executive Park IV	113 Wappoo Creek Drive Charleston, South Carolina	1985	2,708		100.0%	\$475,000	\$175.41
3	June-15	General Office	768 St. Andrews Blvd Charleston, South Carolina	1981	1,840		0.0%	\$250,000	\$135.87
4	April-14	Unit A Folly Oaks Center	930 Folly Road James Island, South Carolina	2006	1,112			\$150,000	\$134.89
5	January-14	Office building	1130 Folly Road Charleston, South Carolina	1965	2,800		0.0%	\$310,000	\$110.71

COMPARABLE SALES MAP



OFFICE COMPARABLE 1



IMG_3044 - Copy

Property Identification

Property/Sale ID	10841/9585
Property Type	Office Building
Current Use	Office
Property Name	Building E - Carriage Lane Offices
Address	1 Carriage Lane, Bldg E
City, State Zip	Charleston, South Carolina 29407
County	Charleston
MSA	Charleston-North Charleston
Latitude/Longitude	32.797420/-79.997613
Tax ID	418-02-00-186

Transaction Data

Sale Date	05-13-2016	Conditions of Sale	Market
Sale Status	Closed	Deed Book/Page	0554/333
Grantor	Carriage Lane Partners	Sale Price	\$400,000
Grantee	TRC Carriage, LLC	Exp. Imm. After Sale	\$130,000
Property Rights	Fee Simple	Adjusted Price	\$530,000
Financing	Conventional		

Property Description

Gross Building SF	3,974	No. of Stories	2
Net Rentable SF	3,518	No. of Buildings	1
Year Built	1988	Elevators	0
Yr. Blt. Comments	Proposed renovations to be completed	Gross Acres	0.04683
		Usable Acres	0.04683
Investment Class	C	Flr. Area Ratio (FAR)	1.95
Occupancy Type	Local	Land to Bldg Ratio	0.51
Building Condition	Average	Access	Good
Construction Class	D - Wood Frame	Visibility	Good



Corner/Interior Interior Flood Hazard Zone Zone X

Amenities & Unit Features

Unit Mix & Rents

Physical Indicators

\$/SF GBA \$133.37 \$/SF NRA \$150.65

Verification

Confirmed With Andrew Smith, Purchaser
Confirmed By Mark A. Peterson, MAI
Confirmation Date 05-03-2016

Remarks

This is a recent sale of an office condo at 1 Carriage Lane. The purchaser intends to complete renovations updating the interior and a new roof, totaling about \$130,000. They intend to lease the space primarily as executive offices.



IMG_3044

OFFICE COMPARABLE 2



10462I

Property Identification

Property/Sale ID	10462/9271
Property Type	Condominium Unit(s)
Property Name	Wappoo Executive Park IV
Address	113 Wappoo Creek Drive
City, State Zip	Charleston, South Carolina 29412
County	Charleston
MSA	Charleston-North Charleston
Submarket	James Island
Latitude/Longitude	32.763487/-79.975171
Tax ID	424-01-00-014 & 099

Transaction Data

Sale Date	12-16-2015	Conditions of Sale	Typical
Sale Status	Closed	Deed Book/Page	0523 / 687
Grantor	113 Wappoo Creek, LLC	Days on Market	98
Grantee	Bull Investments, LLC	Sale Price	\$475,000
Property Rights	Leased Fee	Adjusted Price	\$475,000
Financing	Typical		

Property Description

Units	7	No. of Buildings	3
Gross Building SF	2,708	Parking Conforms	Yes
Net Rentable SF	2,708	Parking Spaces	34
Year Built	1985	Gross Acres	0.86520
Investment Class	C	Usable Acres	0.86520
Occupancy Type	Local	Fir. Area Ratio (FAR)	0.07
Building Condition	Fair to Average	Land to Bldg Ratio	13.92
Construction Class	D - Wood Frame	Density (Units/Acre)	8.09
No. of Stories	2	Access	Wappoo Creek Drive



Visibility Average Flood Hazard Zone zone X
Corner/Interior Interior

Amenities & Unit Features

Unit Mix & Rents

Financial Data & Indicators (Actual)

12-Month End	10-01-1977	Expense Ratio	18.56%
PGI	\$52,713	Expenses/SF	\$3.61
EGI	\$52,713	Expenses/Unit	\$1,398
Expenses	\$9,784	NOI/SF	\$15.85
NOI	\$42,929	NOI/Unit	\$6,133
PGIM	9,010	OAR	9.04%
EGIM	9,011		

Physical Indicators

\$/SF GBA	\$175.41	\$/Unit	\$67,857
\$/SF NRA	\$175.41	Occupancy at Sale	100.0%

Verification

Confirmed With Charlie Carmody, Listing Broker
Confirmed By Christopher D. Donato

Remarks

This is two condominium units in Wappoo Creek Executive Park IV. The buildings were built in 1986 and are in average condition. Suite 1 is 1,534 SF and Suite 2 is 1,174 SF for a total leaseable area of 2,708 SF.

Purchased 3/31/2010 for \$405,000 (see deed book 0115 pages 383 & 386). The indicated appreciation rate is 2.79%/year compounded.

This property is two office condominiums. The units were built in 1986 and were in fair to average condition at time of sale. Suite 1 (424-01-00-014) is 1,534 SF and was leased at time of sale to Klockner Group. Suite 2 (424-01-00-099) is 1,174 SF and was leased to Storm Guard Construction. Leases terminate in 2018 and the buyer intends to owner occupy the property.

OFFICE COMPARABLE 3



768

Property Identification

Property/Sale ID	9792/8799
Property Type	Office Building
Current Use	Office
Property Name	General Office
Address	768 St. Andrews Blvd
City, State Zip	Charleston, South Carolina 29407
County	Charleston
MSA	Charleston-North Charleston
Submarket	West Ashley
Latitude/Longitude	32.789559/-79.984567
Tax ID	418-15-00-104

Transaction Data

Sale Date	06-26-2015	Conditions of Sale	Typical
Sale Status	Closed	Deed Book/Page	0490/016
Grantor	Fred. Wichmann Corp	Days on Market	212
Grantee	768 LLC	Sale Price	\$250,000
Property Rights	Fee Simple	Adjusted Price	\$250,000
Financing	Typical		

Property Description

Gross Building SF	1,840	Fir. Area Ratio (FAR)	0.23
Net Rentable SF	1,840	Land to Bldg Ratio	4.26
Year Built	1981	Access	Good
Building Condition	Poor	Visibility	Very Good
No. of Stories	1	Corner/Interior	Mid-Block
Gross Acres	0.18000	Flood Hazard Zone	Zone X
Usable Acres	0.18000		



Amenities & Unit Features

Unit Mix & Rents

Physical Indicators

\$/SF GBA	\$135.87	Occupancy at Sale	0.0%
\$/SF NRA	\$135.87		

Verification

Confirmed With	Johnathon Holt
Confirmed By	Trina W. Walters

Remarks

This is a converted residence used for owner occupied office space located on St. Andrews Blvd.
The property was reportedly in average condition at the time of sale.

OFFICE COMPARABLE 4



1313358_0212079[1]

Property Identification

Property/Sale ID	8278/7717
Property Type	Condominium Unit(s)
Property Name	Unit A Folly Oaks Center
Address	930 Folly Road
City, State Zip	James Island, South Carolina 29412
County	Charleston
MSA	Charleston-North Charleston
Latitude/Longitude	32.733943/-79.969045
Tax ID	425-06-00-121

Transaction Data

Sale Date	04-01-2014	Financing	Cash to Seller
Sale Status	Closed	Deed Book/Page	0399 545
Grantor	Stasmayer Properties	Days on Market	455
Grantee	Skg Holdings LLC	Sale Price	\$150,000
Property Rights	Fee Simple	Adjusted Price	\$150,000

Property Description

Units	1	Gross Acres	1.00000
Gross Building SF	1,112	Flr. Area Ratio (FAR)	0.03
Net Rentable SF	1,112	Land to Bldg Ratio	39.17
Year Built	2006	Density (Units/Acre)	1.00
Building Condition	Good	Access	Folly Road
Construction Class	C - Masonry	Visibility	Good
No. of Stories	1	Corner/Interior	Interior

Amenities & Unit Features



Unit Mix & Rents

Financial Data & Indicators (Stabilized)

PGI	\$17,840	Expense Ratio	29.97%
Vacancy	\$892	Expenses/SF	\$4.57
EGI	\$16,948	Expenses/Unit	\$5,080
Expenses	\$5,080	NOI/SF	\$10.67
NOI	\$11,868	NOI/Unit	\$11,868
PGIM	8,410	OAR	7.91%
EGIM	8,851		

Physical Indicators

\$/SF GBA	\$134.89	\$/Unit	\$150,000
\$/SF NRA	\$134.89		

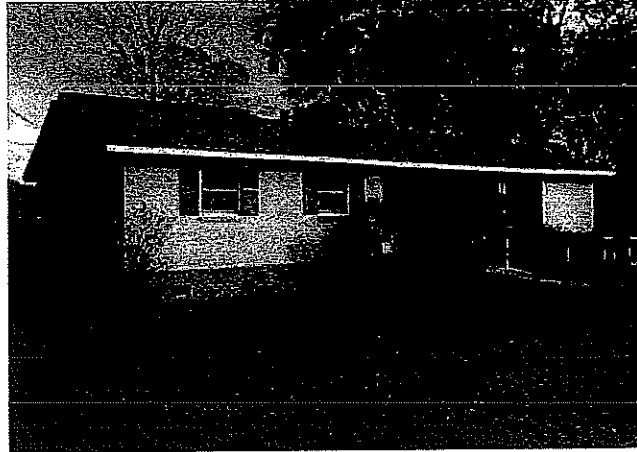
Verification

Confirmed With	Richard Morse - Listing Agent
Confirmed By	Michael C. Tawes
Confirmation Date	07-15-2014

Remarks

This is sale of a small office condominium in the Folly Oaks Center Condos, located off Folly Road in James Island. The property was purchased to be owner occupied. Market rent is estimated to be \$16.00 on a modified gross basis. Deducting 5% for vacancy and 30% for expenses including taxes, regime fee, reserves and management, results in a NOI of \$11,868. Using this NOI, the indicated overall rate for this transaction is 7.9%.

OFFICE COMPARABLE 5



1130 Folly road

Property Identification

Property/Sale ID	7605/7398
Property Type	Office Building
Current Use	Vacant
Property Name	Office Building
Address	1130 Folly Road
City, State Zip	Charleston, South Carolina 29412
County	Charleston
MSA	Charleston-North Charleston
Latitude/Longitude	32.725441/-79.967152
Tax ID	425-09-00-002

Transaction Data

Sale Date	01-14-2014	Conditions of Sale	N/A
Sale Status	Closed	Deed Book/Page	0384/858
Grantor	Wells Fargo Bank, N.A.	Sale Price	\$310,000
Grantee	Maron Investments, LLC	Sale Conditions Adj.	\$0
Property Rights	Fee Simple	Exp. Imm. After Sale	\$104,500
Financing	Cash to Seller	Adjusted Price	\$414,500

Property Description

Units	1	Gross Acres	0.51000
Gross Building SF	2,800	Usable Acres	0.51000
Net Rentable SF	2,800	Flr. Area Ratio (FAR)	0.13
Year Built	1965	Land to Bldg Ratio	7.93
Occupancy Type	Local	Density (Units/Acre)	1.96
Building Condition	Average	Access	Good
Construction Class	D - Wood Frame	Visibility	Average
No. of Stories	1	Corner/Interior	Corner
No. of Buildings	1	Flood Hazard Zone	AE



Amenities & Unit Features

Unit Mix & Rents

Physical Indicators

\$/SF GBA	\$148.04
\$/SF NRA	\$148.04
\$/Unit	\$414,500
Occupancy at Sale	0.0%



Verification

Confirmed With Anton Sedalik, Appraiser
Confirmed By Karl P. Finkelstein, MAI
Confirmation Date 01-25-2014

Remarks

The site consists of three parcels and the combined site measures approximately 0.51000 acres or 22,216 square feet. It is improved with a converted residence measuring 2,800-square-feet, which is currently vacant. The property was purchased for owner occupancy.



Sales Comparison Analysis

All of the sales are analyzed, and adjustments are made for differences in the various elements of comparison, including real property rights, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, size, and other relevant factors. If the comparable sale is considered superior to the subject, we applied a negative adjustment to the comparable. A positive adjustment to the comparable is applied if it is considered inferior to the subject. A summary of the elements of comparison follows.

Transaction Adjustments

These items are applied prior to the application of market conditions and property adjustments. Transaction adjustments include:

1. Real Property Rights Conveyed
2. Financing Terms
3. Conditions of Sale
4. Expenditures Made Immediately After Purchase

The adjustments are discussed as follows:

Real Property Rights Conveyed

In the case of the subject property, the fee simple interest is being appraised. ??The sale comparables all reflect the fee simple interest as well, with no adjustments required.

- Sale 1: no adjustment was warranted.
- Sale 2: no adjustment was warranted.
- Sale 3: no adjustment was warranted.
- Sale 4: no adjustment was warranted.
- Sale 5: no adjustment was warranted.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms.

All of the comparable sales involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

- Sale 1: no adjustment was warranted.
- Sale 2: no adjustment was warranted.
- Sale 3: no adjustment was warranted.
- Sale 4: no adjustment was warranted.
- Sale 5: no adjustment was warranted.



Conditions of Sale

When the conditions of sale are atypical, the result may be a price that is higher or lower than that of a normal transaction. Adjustments for conditions of sale usually reflect the motivations of either a buyer or a seller who is under duress to complete the transaction. Another more typical condition of sale involves the downward adjustment required to a comparable property's for-sale listing price, which usually reflects the upper limit of value.

The sale comparables do not indicate any condition of sale adjustments were warranted for atypical conditions or for-sale listings.

- Sale 1: no adjustment was warranted.
- Sale 2: no adjustment was warranted.
- Sale 3: no adjustment was warranted.
- Sale 4: no adjustment was warranted.
- Sale 5: no adjustment was warranted.

Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures that will have to be made upon purchase of a property because these costs affect the price the buyer agrees to pay. Such expenditures may include: (1) costs to cure deferred maintenance, (2) costs to demolish and remove any portion of the improvements, (3) costs to petition for a zoning change, (4) costs to remediate environmental contamination and/or (5) costs to occupy or lease-up the property to a stabilized occupancy.

The relevant figure is not the actual cost incurred, but the cost that was anticipated by both the buyer and seller. Unless the sales involved expenditures anticipated upon the purchase date, no adjustments to the comparable sales are required for this element of comparison.

- Sale 1: no adjustment was warranted.
- Sale 2: no adjustment was warranted.
- Sale 3: no adjustment was warranted.
- Sale 4: no adjustment was warranted.
- Sale 5: no adjustment was warranted.

Market Conditions Adjustment

Market conditions change over time as a result of inflation, deflation, fluctuations in supply and demand and other factors. Changing market conditions creates the need for adjustments to sale comparables that represent transactions during periods of dissimilar market conditions.

The sales represent recent transactions and current listings near the date of value with no market conditions adjustments necessary.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages that reflect the increase or decrease in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments.



We have summarized adjustments to the sale comparables below. These adjustments are based on our market research, best judgment, and experience in the appraisal of similar properties.

The adjustments are discussed as follows:

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner-versus interior-lot location, neighboring properties, view amenities, and other factors.

All sales were located in established commercial developments where there was a critical mass of activity versus the subject, which is in a more remote location.

- Sale 1: a downward adjustment of 10.0% was warranted.
- Sale 2: a downward adjustment of 10.0% was warranted.
- Sale 3: a downward adjustment of 10.0% was warranted.
- Sale 4: a downward adjustment of 10.0% was warranted.
- Sale 5: a downward adjustment of 10.0% was warranted.

Size

The size adjustment identifies variances in the physical size of the comparables and the subject improvements. Typically, the larger a building, the lower the sale price per unit. This inverse relationship is due, in part, to the principle of "economies of scale." The data suggested that the market perceived no material difference in size between subject and the comparable sales.

- Sale 1: no adjustment was warranted.
- Sale 2: no adjustment was warranted.
- Sale 3: no adjustment was warranted.
- Sale 4: no adjustment was warranted.
- Sale 5: no adjustment was warranted.

Age/Condition

All else being equal, older properties typically command a lower price per square foot than newer properties. However, although a property may be physically older than another property, the effective age may be similar to a newer property and no adjustment may be indicated. This may be due to the older property being well maintained or a recent renovation. We have based this adjustment category on the effective age of the comparables and not their physical age, as this takes the overall condition of a property into consideration.

The effective age and economic life of each property has been estimated by the appraiser, and the adjustments are based on the difference between the indicated depreciation for the subject property and each sale comparable. In addition I have taken into account the deferred maintenance which needs repair on the subject.

Transactions #1, #3 and #5 were considered equal and required no adjustment. Transactions #2 and #4 were in good physical condition and were superior requiring negative adjustments.



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MARINERS CAY UNIT 1-A
SALES COMPARISON APPROACH

Construction Quality

The subject property consists of average quality wood construction.

Transactions #4 and #5 were brick construction and considered superior.

Exposure

Transactions #4 and #5 are located on Folly Road with exposure to a considerable volume of traffic. The other sales and subject do not have this exposure. Transactions #4 and #5 are superior.

Summary of Adjustments

Based on the preceding analysis, we have summarized adjustments to the sale comparables on the following adjustment grid. These quantitative adjustments are based on our market research, best judgment, and experience in the appraisal of similar properties.



COMPARABLE SALES ADJUSTMENT GRID

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		9585	9271	8799	7717	7998
Date of Value & Sale	June 29, 2016	May-16	December-15	June-15	April-14	January-14
Property Name	Mariners Cay Unit 1-A	Building E - Carriage Lane Offices	Wappoo Executive Park IV	General Office	Unit A Folly Oaks Center	Office Building
Net Rentable Area	1,352 sf	3,518	2,708	1,840	1,112	2,808
Land Area (acres)	0.0000	0.0468	0.8652	0.1800		0.5100
Unadjusted Sale Price		\$400,000	\$475,000	\$250,000	\$150,000	\$100,000
Unadjusted Sale Price PSF of NRA		\$113.70 psf	\$175.41 psf	\$135.87 psf	\$134.89 psf	\$110.71 psf
Transactional Adjustments						
Property Rights Conveyed	Fee Simple	Fee Simple	Lensed Fee	Fee Simple	Fee Simple	Fee Simple
Adjustment		-	-	-	-	-
Adjusted Sale Price		\$113.70	\$175.41	\$135.87	\$134.89	\$110.71
Financing Terms	Cash to Seller	Conventional	Typical	Typical	Cash to Seller	Cash to Seller
Adjustment		-	-	-	-	-
Adjusted Sale Price		\$113.70	\$175.41	\$135.87	\$134.89	\$110.71
Conditions of Sale	Typical	Market	Typical	Typical		N/A
Adjustment		-	-	-	-	-
Adjusted Sale Price		\$113.70	\$175.41	\$135.87	\$134.89	\$110.71
Expenditures after Sale		-	-	-	-	-
Adjustment		-	-	-	-	-
Adjusted Sale Price		\$113.70	\$175.41	\$135.87	\$134.89	\$110.71
Market Conditions Adjustments						
Elapsed Time from Date of Value		0.13 years	0.54 years	3.01 years	2.25 years	2.46 years
Market Trend Through	June-16	-	-	-	-	-
Subsequent Trend Ending	June-16	-	-	-	-	-
Adjusted Sale Price		\$113.70	\$175.41	\$135.87	\$134.89	\$110.71
Property Adjustments						
Location	2 McDonough Road Folly Beach, South Caroli	1 Carriage Lane, Chade	113 Wappoo Creek Drive, Charleston, South Carolina	768 St. Andrews Blvd, Charleston, South Carolina	930 Folly Road, James Island, South Carolina	1130 Folly Road, Charleston, South Carolina
Adjustment		-10.0%	-10.0%	-10.0%	-10.0%	-10.0%
Size	1,352 sf	3,518 sf	2,708 sf	1,840 sf	1,112 sf	2,808 sf
Adjustment		-	-	-	-	-
Age/Condition	Year Built: 1980, Condition: Poor to Fair	Year Built: 1986, Condition: Fair to Average	Year Built: 1985, Condition: Fair to Average	Year Built: 1981, Condition: Poor	Year Built: 2006, Condition: Good	Year Built: 1965, Condition: Fair to Average
Effective Age	25 years	0 years	0 years	0 years	0 years	0 years
Economic Life	40 years					
Adjustment		-	-20.0%	-	-25.0%	-
Construction Quality	Average Class D - Wood Frame	Average Class D - Wood Frame	Average Class D - Wood Frame	Good Class	Class C - Masonry	Average Class D - Wood Frame
Adjustment		-	-	-10.0%	-5.0%	-
Exposure					-10.0%	-10.0%
Adjustment		-	-	-	-	-
Net Physical Adjustment		-5.0%	-25.0%	-15.0%	-45.0%	-15.0%
Adjusted Sale Price PSF of NRA		\$108.02	\$131.55	\$115.49	\$74.19	\$94.11



Sales Comparison Approach Value Indication

From the market data available, the most comparable retail sales were selected and adjusted based on pertinent elements of comparison. The adjustments were discussed earlier and are presented in the preceding adjustment grid. The following table summarizes the unadjusted and adjusted sale prices:

Improved Sales Statistics		
Metric	Unadjusted	Adjusted
Minimum Sale Price per Sq. Ft.	\$110.71	\$74.19
Maximum Sale Price per Sq. Ft.	\$175.41	\$131.55
Median Sale Price per Sq. Ft.	\$134.89	\$108.02
Mean Sale Price per Sq. Ft.	\$134.12	\$104.67

Based on the adjusted prices and emphasizing all the sales equally, a unit value for the subject property is near the middle of the adjusted range, or \$105.00 per square foot is reasonable.

As Is Fee Simple Market Value Indication

Based on this analysis, the sales comparison approach value indication is summarized as follows:

VALUE INDICATION					
Improved Sales Comparison Approach Value Indication					
Reasonable Adjusted Comparable Range					
1,352 sf	x	\$75.00	=		\$101,400
1,352 sf	x	\$130.00	=		\$175,760
As Is Fee Simple Market Value Indication					
1,352 sf	x	\$105.00	=		\$140,000

Income Capitalization Approach

The income approach converts net operating income into a value estimate using a market derived overall rate of return.

I have used direct capitalization to obtain an indication of value from the income approach. Direct capitalization converts net income from operations in the first year of a holding period to a value indication. The conversion factor is an overall rate derived from the market.

Potential Gross Income

The subject restaurant is currently not leased and produces no income. Therefore, I have researched the market for comparable leases in order to estimate market rent of the subject. The results of this research are presented below:

Market Rent Analysis

To develop an opinion of market rent, I surveyed representatives of comparable and competitive properties in the local market area, focusing on buildings with similar locations, size and market appeal.

Rent 1 is the Bohicket Marina property located on Johns Island, north of the subject. The subject has numerous office, retail and restaurant commercial condominium units. The units sizes range from approximately 400 square feet to 7,000 square feet, and rental rates range from \$14 to \$24 per square foot on a NNN basis.

Rent 2 is located at 113 Wappoo Creek Drive in James Island. This property has two commercial condominium units. Each of the units are 1,354 square feet each, and both are currently leased for \$17.90 per square foot when adjusted to NNN terms.

Rent 3 is 16 Center Street in Folly Beach. Unit B in this property is a prime retail location and is leased for \$31.45 per square foot on a NNN basis. Unit C is a commercial unit that is currently leased for \$13.77 per square foot on a NNN basis.

Rent 4 is 123 W. Ashley Avenue in Folly Beach. This property is 3,237-square feet and is currently leased to a restaurant/bar for \$18.54 per square foot on a NNN basis.

Rent 5 is 31 Center Street, Unit 2, in Folly Beach. This property is a 2,378-square foot commercial condo and is currently leased for \$12.62 per square foot on a NNN basis.

Rent 6 is a commercial condominium unit at Sunset Cay Marina. The unit is leased to Sunset Yacht, Inc. that began in 2010 and is its fourth option period that began October 2014. Current rent for this 2,442 SF unit is \$20.14/SF net to the landlord.

Rent 6 is the only condominium associated with a marina. Adjusting this rent down for condition (-25%), quality (-10%) and parking (-10%) suggests a unit price of \$11.00/SF. Based on this



information and the other comparable rents, I believe a market rent of \$12.00/SF net to the landlord is reasonable for the subject.

Vacancy and Credit Loss

Of the existing 95,453 SF of commercial space on Folly Beach there are currently no vacancies. Therefore, the subject should experience a normal vacancy rate.

Therefore, an estimated loss in vacancy of 5% is considered reasonable.

Estimated Expenses

The lease will be net to the landlord similar to the comparables listed above. Therefore, the landlord's only expenses are a management fee of about 6% and exterior maintenance of \$1.00/SF and miscellaneous (\$500/year).

Overall Rate

An overall rate can be estimated using two methods:

1. A rate can be abstracted from market sales.
2. A rate can be calculated by using a weighted average of mortgage and equity returns.

The following comparable in the sales comparison approach indicated overall rates.

TRANSACTION#	OVERALL RATE
Transaction #2	9.04%

In addition, I have estimated an overall capitalization rate by the Band of Investment technique. This process builds a rate based on available mortgage financing and equity dividend requirements. The mortgage portion of the equation is based on 75% mortgage at 4.50% interest amortized over 15 years with a 10-year call. The equity dividend rate is cash on cash return that an investor would require in order to put equity funds into a property of this type. The first year equity dividend rate should reflect anticipated changes in income and value over the projected holding period thereby reflecting the equity investors anticipated yield or internal rate of return. I believe a reasonable first year equity dividend rate would be 8.0%. The overall rate by the Band of Investment method is calculated as follows:

BAND OF INVESTMENT			
ASSUMPTIONS SUPPORTED BY MARKET DATA			
Loan to Value Ratio			75.00%
Interest Rate			4.50%
Term (Years)			15
Mortgage Constant			0.0918
Equity			25.00%
Equity Dividend Rate			8.00%
CATEGORY	LOAN TO VALUE RATIO	RATE OF RETURN	PRODUCT
Mortgage Component	75.00%	0.0918	0.0688
Equity Component	25.00%	0.0800	0.0200
Weighted Average			0.0888
Rounded to			9.00%

The data suggest an overall rate of 9%, which is supported both by actual sales and the Band of Investment method. Therefore, I believe that 9% is reasonable for the subject and supported by the data.

The reader is referred to the following chart for calculations used to obtain an indication of value from the income approach.



**UNIT 1-A - MARINERS CAY
INCOME APPROACH**

MARKET DATA ASSUMPTIONS

Building Size	1,352
Market Rent	\$12.00
Management Fee	6.00%

TOTAL POTENTIAL GROSS INCOME

	Size	Rent/SF	
Marina/Ship's Store			
Office/Retail	1,352	\$12.00	\$16,224
Total Gross Income	1,352	\$12.00	= \$16,224

Less Vacancy & Collection Loss	5.00%	=	(811)
EFFECTIVE GROSS INCOME		=	\$15,413

OPERATING EXPENSES:

Property Management		\$925	
Real Estate Taxes		\$0	
Insurance		\$0	
Exterior Structural Maintenance	\$1.00	\$1,352	
Miscellaneous		\$500	
Total Expenses:			= 2,777
NET OPERATING INCOME:			= \$12,636

OVERALL RATE = 9.00%

INDICATED VALUE FOR BLDGS & LAND = \$140,400
Rounded To = \$140,000



Reconciliation

Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

Value Indications	
Approach to Value	As Is
Land Only - Sales Comparison	N/A
Cost	Not Developed
Sales Comparison	\$140,000
Income Capitalization	
Direct Capitalization	\$140,000
Value Conclusions	
Component	As Is
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	June 29, 2016
Value Conclusion	\$140,000
	\$103.55 psf

Exposure Time and Marketing Periods

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 12 months and 12 months, respectively, are considered reasonable and appropriate for the subject property.



General Assumptions and Limiting Conditions

This appraisal is subject to the following limiting conditions:

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Atlantic Appraisals, LLC will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory, or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Atlantic Appraisals, LLC is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.

Exhibit B

BILL OF SALE

THIS BILL OF SALE is executed as of the 15th day of May, 2017, by Emerald McDonough Road Holdings, LLC, a South Carolina limited liability company ("Seller"):

FOR VALUE RECEIVED, receipt of which is hereby acknowledged, Seller does hereby grant, bargain, sell, convey, assign, transfer, and set over unto MARINERS CAY FUEL DOCK LLC, a _____ ("Buyer") all fixtures, furniture, equipment, furnishings, and other personal property (other than computer hardware and software) owned by Seller (the "Personal Property") located on that certain real property in the City of Folly Beach, County of Charleston and State of South Carolina, which real property has been sold by Seller to Buyer as of the date hereof and which is more particularly described on Exhibit A attached hereto.

The Personal Property is being transferred in its "as is, where is" condition, and without representation or warranty.

IN WITNESS WHEREOF, Seller has executed and delivered this Bill of Sale as of the day and year first above written.

SELLER:

Emerald McDonough Road Holdings, LLC
a South Carolina limited liability company

By: Sabal Financial Group, L.P.,
Its: Manager

By: K. McKenzie
Name: Kevin R. McKenzie
Title: Vice President of Investments

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

AFFIDAVIT

Date of Transfer of Title
May 19, 2016

PERSONALLY appeared before me the undersigned, who being duly sworn, deposes and says:

1. I have read the information on this Affidavit and I understand such information.
2. The property is being transferred by Emerald McDonough Road Holdings, LLC TO Mariners Cay Fuel Dock LLC on May 19, 2016.
3. Check one of the following: The deed is:
 - a. subject to the deed recording fee as a transfer for consideration paid or to be paid in money or money's worth.
 - b. subject to the deed recording fee as a transfer between a corporation, a partnership or other entity and a stockholder, partner, or owner of the entity, or is a transfer to a trust or as a distribution to a trust beneficiary.
 - c. EXEMPT from the deed recording fee because _____ (Explanation, if required: n/a if exempt, please skip items 4-6 and go to item No. 7 of this affidavit.
4. Check one of the following if either item 3(a) or item 3(b) above has been checked.
 - a. The fee is computed on the consideration paid or to be paid in money or money's worth in the amount of \$40,000.00.
 - b. The fee is computed on the fair market value of the realty, which is \$ _____.
 - c. The fee is computed on the fair market value of the realty as established for property tax purposes which is \$ _____.
5. Check YES or NO to the following: A lien or encumbrance existed on the land, tenement or realty before the transfer and remained on the land, tenement or realty after the transfer. If "YES", the amount of the outstanding balance of this lien or encumbrance is \$ _____.
6. The DEED Recording Fee is computed as follows:
 - a. \$40,000.00 the amount listed in Item No. 4 above
 - b. \$0.00 the amount listed on Item No. 5 above (no amount, please zero)
 - c. \$40,000.00 subtract Line 6(b) from Line 6(a) and place the result here.
7. As required by Code Section 12-24-70, I state that I am a responsible person who was connected with the transaction as Grantor.

8. I understand that a person required to furnish this affidavit who willfully furnishes a false or fraudulent affidavit is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than one year or both.

STATE OF SOUTH CAROLINA
COUNTY OF _____

I, _____, a Notary Public for the County of Charleston and State of South Carolina, do hereby certify that Emerald McDonough Road Holdings, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the ____ of _____, 2016.

Notary Public
My Commission Expires:
(SEAL)

Grantor, Grantee or Legal Representative
Connected with this Transaction

Emerald McDonough Road Holdings, LLC
Print or Type Name Here

SEE ATTACHMENT

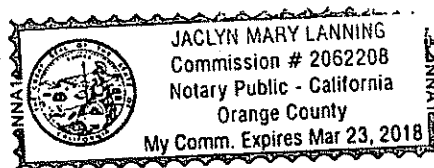
"A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

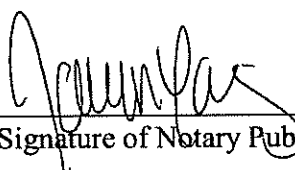
(STATE OF CALIFORNIA)
COUNTY OF ORANGE)

On May 19, 2016, before me, Jaclyn Mary Lanning, Notary Public, personally appeared Mark E. Foster, 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/their~~ 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(s) acted, executed the instrument.

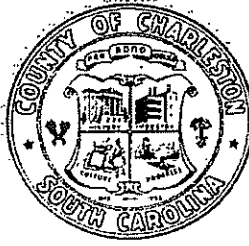
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature  (SEAL)
Signature of Notary Public

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 WEEKS & IRVINE LLC

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0555	946	Deed
Charlie Lybrand, Register Charleston County, SC		

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 EMERALD MCDONOUGH RD ETC

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RECIPIENT:
 MARINERS CAY FUEL ETC

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MAY 25 2016

Peter J. Tecklenburg
 Charleston County Auditor

PID VERIFIED BY ASSESSOR

REP: MKJ

DATE: 5/26/16

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EMERALD MCDONOUGH RD ETC

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Peter J. Tecklenburg
Charleston County Auditor

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Minutes from Annual Meeting of Mariners Cay Council of Co-Owners

May 21, 2016

Meeting was called to order by Michael Sutton at 10:10

Roll Call/Quorum

Roll call was tallied from Sign In Sheet with 37 member votes and 7 proxy votes establishing a quorum to proceed.

Minutes from Previous Meeting

Michael Sutton read the minutes from the previous year annual meeting March 28, 2015.

Reports

There were no report of officers or special committees at this time.

Ed Geiger presented a Dock Master Report summarizing the state of the Marina Maintenance projects and areas of concern. Major accomplishments were replacement of outer pilings and repairs to the outside T dock bracings. Upcoming projects are electrical maintenance that needs to be contracted to a licensed electrician, and addition of safety stations for man overboard retrieval procedures.

Election of Board

There were 5 candidates running for election. David Nauheim, Jeff Heatley, Laurie Hull, Ron McGuire, and Tom Bessent.

Since there were 5 openings and 5 candidates, Mike Shoal made a motion to elect all candidates. James Boren seconded. A show of hands of all in agreement was unanimous.

New Business

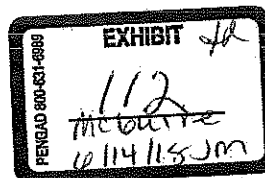
The new business for this annual meeting was to vote on the amendments to the master deed and to vote on whether the membership is interested in pursuing the purchase of the ship store.

The master deed changes proposed were intended to:

1. Clearly define the easement of ingress and egress to the restrooms and ship store.
2. Clearly define that the exterior of the ship store is not a Common Element or a Limited Common Element and must be maintained by the owner.
3. Clearly define the commercial usage of the ship store to be limited to ship store functions and exclude all other activities including bars and restaurants.

As it turned out, the Ship Store and Fuel Docks had been purchased by Dolph Farmer the day before the annual meeting so the vote to purchase was not applicable at this time.

Michael Sutton proceeded with the vote to change the master deed. Dolph Farmer agreed with the ingress and egress to the bathrooms, but had concerns with the language ingress and egress to the Bathrooms and Ships Store. Roger Camp brought up inconsistencies with the easements and upper unit being defined in the Master Deed as part of the ship store. Discussion followed about the state of the Master Deed and easements and maintenance costs. Dolph Farmer did state that he was interested in selling the Ship Store lower level and Fuel Docks to the Mariners Cay Council of Co-owners. Although a



MC-1625

vote was not made, there was a consensus from the members present that the Board of Directors should pursue investigating the cost of the purchase and maintenance of those properties.

Dolph Farmer made a motion to table the vote on the amendment changes until all parties, Mariners Cay Council of Co-owners, Mariners Cay Home Owners, and the Ship Store owner have a chance to talk about how to move forward in the best interest of all. Marty Rosenberg seconded. A show of hands from the membership approved.

The meeting was adjourned at 11:54.

DRAFT

PC w. Martin (Marty) Rosenberg 919-824-4881. 5/23/16

First Tuesday of every month -

Member of mariners cay board, lived there for 20 years.

Ed Geiger: a lot of conflicts—dockmaster, retirement income for him. Ed was going to live in condo, but got screwed.

Mike Sutton—maybe.

Jeff (business owner) and Laurie: want to buy the ships store. Also fuel dock. Values will go up.

The rest of the board unsure.

Laurie—possible president.

Tom Bessen—knowledgeable, good guy. Mariners Cay Resident.

Ron McGuire. Mariners Cay Resident. Opposed to purchase of ship store.

Says most people are against spending money.

Extensive work on investigating buying ship store: appraisal, renovation cost, structural engineer survey at risk of hurricane. Considered buying it but realized membership would not go for it. Estimate: \$250k for store. Renovation 200 to 250k. The piling are half the thickness. Need replaced or concrete reinforcement. Termite damage. \$500k project. \$6-7k by every slip owner. Or if financed, a monthly addition to the assessment.

What about changes to operating agreement.

Ship store is separate entity, but it exists through easement from Mariners Cay. For the enjoyment of the community. No residential mentioned in easement. When it split off from marina, an easement was create require access to bathrooms, etc.

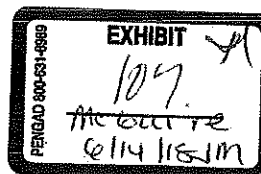
ships store has two masters—mariners cay, Marina.

Master deeds, easements.

Merge easement—that is b deed.

Marina master deed-ship store must operate for convenience and enjoyment of resident of mariners cay. He thinks that gives them say. Marina and marines cay were one in the same. But no say in the commercial operation. There is wiggle room for owner to say—we can do what we want. Wants this clarified. Wants it clarified so future buyer clear that ship store means no outside customers.

ROA 2730



MC-1110

Issues:

must operate for convenience and enjoyment of resident of mariners vs. no say in the commercial operation. Needs to be clarified.

Dolph: very little leverage. Bought a pair of handcuffs. We should use this.

Roger – knowledgeable.

Private owner for fuel dock?

Mariners Cay Yacht Club - \$130 per year. Already there. Don't need it in ships store. In mariners cay clubhouse.

Asking price was \$250k. We don't what he paid.

Best outcome: residential until, painted look like mariners cay. 4 unites. One reserved for dock master/shipstore, nice shower bathroom facilities for marina. The rest, residential.

Maintenance? Roger thinks marina is responsible. "Regime is responsible." Bathrooms? Yes.

Upstairs—residential community? Not authorized by deed.

Why is regime fee so high?

Marines Cay—you pay as much you square footage.

There is an 18 page document including engineers report, appraisal, environmental study. It was like they started from scratch.

Conflict for dolph to vote?

Gas dock.

What do you want personally?

What if we don't buy it?

Why did Doph buy it?

What is his end game?

What about doing just fuel dock? Putting a shack on it?

If mariners cay can't do it.

MC-1111

ROA 2731

Turn it into residential. Best use. But still must provide a bathroom.

Negotiate – must provide bathroom and small office.

Easement state ship store is required to have a space for dockmaster— [need to confirm]

Dockmaster shock on fuel dock? Maybe.

25k bond to D-HeC. Hasn't that been paid? No. Because the superfund thing came later. Grandfathered?

Fuel tanks, manhole covers near flag pole. They are not leaking. Fiberglass.

Tanks: pump it out—not matter what, do it now.

Marty: Paid 80k for slip. He's paid enough. Ships store not necessary.

They have reviewed easements, have opinions. They will fight Dolph unless they agree.

Mariners Cay will fight opening it from outside. Parking, pool, trash, loud music.
Marina wants fuel and ships store.

Idea is to try and merge easements. June 18th.

Is it legal to allow ships store residential?

Issues:

1. What do we want deal with Dolph to look like?
2. What did dolph buy? Footprint of building? Or more? I.e., what is the legal description on deed?
3. Order of master in equity has not signed the foreclosure order – Rick Stringer atty and slip owner knowledgeable about this.
4. What is the zoning on the ship store?
5. What does master deed say about use of ship store? Does it allow residential use?
6. Define common areas
7. Fuel dock:
 - a. Projected income/loss
 - b. Get past numbers
 - c.

Proposed deal with Dolph:

1. We give Dolph permission to use ships store building as residential in exchange for easement maintaining a reasonable size carve out for marina office/ships store/lounge area. Area TBD.

MC-1112

2. Define common areas and rights:

- a. marina office/ships store/lounge area.
- b. All patios (excluding third floor level residential patio)
- c. All deck areas (excluding third floor level residential deck)
- d. All walkways
- e. All porches
- f. Boat ramp
- g. Ground level landscaping
- h. All ramps

Fuel dock

5k fuel removal

5k delinquent fees

25k bond

20k replace hoses/pumps

55/82

\$670

Fuel dock affect on Regime fees:

Likely \$1,000 assessment

Likely ??? in regime fee increase/decrease

We need high level of confidence that assessment will go down.

Liability on fuel dock? What does bond cover?

PC w. Tom Bessent, he is worried because Laurie says she said she is going to send a letter of intent and the board has not even met. We both agreed this would be premature and she does not have authority to do so. He is going to email her to this effect.

7/10/16 Board meeting

Tom, Ron, Laurie, Amanda, me (Jeff absent)

7/13/16 Board meeting

Laurie said \$6k to get fuel dock operational, including pump out tanks, check lines, but does not include new pumps. Maybe \$10k for the pumps? Plus \$25k DHEC bond, plus \$6k in delinquent fees (hopefully Dolph will pay?). So \$40k.

Laurie: We do the maintenance, it is reflected in his regime fee. WE do the structural work, which benefits his unit, and this is reflected in purchase price.

MC-1113

There is no money devoted in this plan for renovation of A1.

Tom: How much do we need to maintain in reserves?

Ship Store: \$50k to repair pilings, and \$45k for structural work. Assume \$100k in repairs for structure, not including interior. Prior ship store grossed \$141k in revenue in 2008. A lot of it is fuel, but must subtract slip fee income. Ship store—\$5-6k. Bulk of sales beer and wine, which would require license.

Would need to add management, since Ed is 4 days a week.

→ As far as income goes, fuel dock is far superior to ships store.

→

Reserves at end of May \$43k.

Financing- bank requires 25% down,

We think Dolph paid 210k for building plus 40 for fuel docks (20 k for each)

His regime fee should cover maintenance and insurance. He is paying 733 for commercial A (ships store) and assessment for commercial B – 394. Plus 1% of sales.

So purchase price, plus \$100k for repairs, plus \$40k for fuel dock – 25% down.

Ed: Guesses - \$40k to replace pumps and fuel lines. Waiting on quote.

Be prepared to have an opinion, email question if necessary.

80k for the fuel dock, 100 to dolph, 100k for structural work, 20k for part time fuel guy, insurance, taxes,

You have to buy nonethanol gas in large quantities.

50-70 profit per gallon. July 4th = 1000 gallons a day. We don't sell a lot of diesel because inlet here is no good.

Laurie questions how much leverage we have since it

Gad docks issues: What does bond cover, what does insurance cover, and what will it do to premium?
What is cost of pumps?

Fuel dock:

What is the cost of new pumps, repair to fuel lines?

What is the increase in premium for the fuel dock?

Will the insurance company cover single wall tanks or require us to upgrade?

Does the insurance company have any other requirements to cover the fuel dock?

MC-1114

What is deductible if there is an accident related to the fuel dock?
What is the remaining lifespan of the current tanks and cost of replacement?
What is the cost of the fuel we would need to purchase to get up and running?
What is the yearly cost for the dock hand we would have to hire (including payroll taxes, workers comp)

If I am reading P&L correctly, the marina made \$17k in profit selling gasoline. But there is no salary expense listed. If that is the profit we could expect but we have to hire a dockhand to get it, (which would cost more than \$17k), even if you don't factor in the costs of getting it running and in compliance then the fuel dock likely winds up being a loss.

Ship's store

What is the age of the roof? What is cost of replacement and how would cost of replacement be shared?
What is the age of the HVAC? Does the ship store have its own unit or shared with unit B?
What are the property taxes on the ship store?
What does it cost to get a liquor license?
Will Dolph reimburse us for the insurance we have paid out on his behalf?
Will Dolph pay his arrears for the regime fee?
What is the cost of the structural work that needs to be done to the building (or do we wait for due diligence period to determine this number)?
What renovations need to be done to the ships store?
How much does an ice machine cost to purchase and install?
Refrigerator for beer, wine etc?

Financing

What kind of terms could we expect? 15 year, 20? 25? What interest rate? How big would the mortgage be? What would the payment be with taxes and insurance?
What would be the closing costs for the loan?
How much do we need to maintain in reserves and how much could go towards down payment?

Cost to owners

What would the special assessment be?
How much would the quarterly assessment go up?

Legal questions

What would it take to revise the master deed/easement to permit residential use?

Add Questions

What kind of expert do we need to make sense of these numbers, the P&L, etc. and put together a concrete business plan?

What other questions should we be asking?

8/10/16

MCM board meeting

Dolph still interested in selling ship's store. Laurie disclosed appraisal . . .

No membership meeting needed at this time for buying fuel dock, but possibly for revision of master deed.

Concerned about access to ship's store.

Do we believe we have any rights in that building beyond bathrooms?

Dockmaster space?

Marina laundry?

Hallways in front of bathrooms.

Decks and porches.

Stairs and ramps.

Ground level patio area.

Everything outside of a "unit."

Unit defined on p.8 (13). Same meaning as apartment as defined in the "Horizontal Property Act" section 27-31-30.

Common elements definition starts on p.13.

"Necessary or convenient for the use of the marina." Common area clause.

Tom: We are required under the permit to have a dockmaster, which requires a space in the shipstore.

Email for board, email list for membership.

Lawyers

Lydia – didn't do a good job, not responsive.

Bar Unger and McIntosh – MCC lawyers

Tommy McIntosh – Tom to ask for proposal

Guidance towards updating and revising master deed to clarify and clearly define common and limited common areas and protect OCRM, and other revisions as necessary.

Rules issues: no trailers?

OCRM

MC-1116

MCM Contacts

Tom Bessent: 843-860-7630

Martin (Marty) Rosenberg 919-824-4881.

Ron 843 906-3417

PC w. Martin (Marty) Rosenberg 919-824-4881. 5/23/16

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MC-1117

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MC-1118

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Dockmaster shock on fuel dock? Maybe.

25k bond to D-HeC. Hasn't that been paid? No. Because the superfund thing came later. Grandfathered?

Fuel tanks, manhole covers near flag pole. They are not leaking. Fiberglass.

Tanks: pump it out—not matter what, do it now.

Marty: Paid 80k for slip. He's paid enough. Ships store not necessary.

They have reviewed easements, have opinions. They will fight Dolph unless they agree.

Mariners Cay will fight opening it from outside. Parking, pool, trash, loud music.

Marina wants fuel and ships store.

Idea is to try and merge easements. June 18th.

Is it legal to allow ships store residential?

Issues:

1. What do we want deal with Dolph to look like?
2. What did dolph buy? Footprint of building? Or more? I.e., what is the legal description on deed?
3. Order of master in equity has not signed the foreclosure order – Rick Stringer atty and slip owner knowledgeable about this.
4. What is the zoning on the ship store?
5. What does master deed say about use of ship store? Does it allow residential use?
6. Define common areas
7. Fuel dock:
 - a. Projected income/loss
 - b. Get past numbers

MC-1119

c.

Proposed deal with Dolph:

1. We give Dolph permission to use ships store building as residential in exchange for easement maintaining a reasonable size carve out for marina office/ships store/lounge area. Area TBD.
2. Define common areas and rights:
 - a. marina office/ships store/lounge area.
 - b. All patios (excluding third floor level residential patio)
 - c. All deck areas (excluding third floor level residential deck)
 - d. All walkways
 - e. All porches
 - f. Boat ramp
 - g. Ground level landscaping
 - h. All ramps

Fuel dock

5k fuel removal
5k delinquent fees
25k bond
20k replace hoses/pumps

55/82

\$670

Fuel dock affect on Regime fees:

Likely \$1,000 assessment
Likely ??? in regime fee increase/decrease
We need high level of confidence that assessment will go down.

Liability on fuel dock? What does bond cover?

PC w. Tom Bessent, he is worried because Laurie says she said she is going to send a letter of intent and the board has not even met. We both agreed this would be premature and she does not have authority to do so. He is going to email her to this effect.

7/10/16 Board meeting
Tom, Ron, Laurie, Amanda, me (Jeff absent)

7/13/16 Board meeting

MC-1120

ROA 2740

Laurie said \$6k to get fuel dock operational, including pump out tanks, check lines, but does not include new pumps. Maybe \$10k for the pumps? Plus \$25k DHEC bond, plus \$6k in delinquent fees (hopefully Dolph will pay?). So \$40k.

Laurie: We do the maintenance, it is reflected in his regime fee. WE do the structural work, which benefits his unit, and this is reflected in purchase price.

There is no money devoted in this plan for renovation of A1.

Tom: How much do we need to maintain in reserves?

Ship Store :\$50k to repair pilings, and \$45k for structural work. Assume \$100k in repairs for structure, not including interior. Prior ship store grossed \$141k in revenue in 2008. A lot of it is fuel, but must subtract slip fee income. Ship store—\$5-6k. Bulk of sales beer and wine, which would require license.

Would need to addl management, since Ed is 4 days a week.

→ As far as income goes, fuel dock is far superior to ships store.

→

Reserves at end of May \$43k.

Financing- bank requires 25% down,

We think Dolph paid 210k for building plus 40 for fuel docks (20 k for each)

His regime fee should cover maintenance and insurance. He is paying 733 for commercial A (ships store) and assessment for commercial B – 394. Plus 1% of sales.

So purchase price, plus \$100k for repairs, plus \$40k for fuel dock – 25% down.

Ed: Guesses - \$40k to replace pumps and fuel lines. Waiting on quote.

Be prepared to have an opinion, email question if necessary.

80k for the fuel dock, 100 to dolph, 100k for structural work, 20k for part time fuel guy, insurance, taxes,

You have to buy nonethanol gas in large quantities.

50-70 profit per gallon. July 4th = 1000 gallons a day. We don't sell a lot of diesel because inlet here is no good.

Laurie questions how much leverage we have since it

Gad docks issues: What does bond cover, what does insurance cover, and what will it do to premium?
What is cost of pumps?

MC-1121

ROA 2741

Fuel dock:

- What is the cost of new pumps, repair to fuel lines?
- What is the increase in premium for the fuel dock?
- Will the insurance company cover single wall tanks or require us to upgrade?
- Does the insurance company have any other requirements to cover the fuel dock?
- What is are deductible if there is an accident related to the fuel dock?
- What is the remaining lifespan of the current tanks and cost of replacement?
- What is the cost of the fuel we would need to purchase to get up and running?
- What is the yearly cost for the dock hand we would have to hire (including payroll taxes, workers comp)

If I am reading P&L correctly, they made \$17k in profit selling gasoline. But there is no salary expense listed. If that is the profit we could expect but we have to hire a dockhand to get it, (which would cost more than \$17k), even if you don't factor in the costs of getting it running and in compliance then the fuel dock likely winds up being a loss.

Ship's store

- What is the age of the roof? What is cost of replacement and how would cost of replacement be shared?
- What is the age of the HVAC? Does the ship store have its own unit or shared with unit B?
- What are the property taxes on the ship store?
- What does it cost to get a liquor license?
- Will Dolph reimburse us for the insurance we have paid out on his behalf?
- Will Dolph pay his arrears for the regime fee?
- What is the cost of the structural work that needs to be done to the building (or do we wait for due diligence period to determine this number)?
- What renovations need to be done to the ships store?
- How much does and ice machine cost to purchase and install?
- Refrigerator for beer, wine etc?

Financing

- What kind of terms could we expect? 15 year, 20? 25? What interest rate? How big would the mortgage be? What would the payment be with taxes and insurance?
- What would be the closing costs for the loan?
- How much do we need to maintain in reserves and how much could go towards downpayment?

Cost to owners

- What would the special assessment be?
- How much would the quarterly assessment go up?

Legal questions

What would it take to revise the master deed/easement to permit residential use?

Addl

What kind of expert do we need to make sense of these numbers, the P&L, etc. and put together a concrete business plan?

How do we determine appropriate asking price under all of the circumstances?

What concessions do we want from Dolph as part of this agreement?

Sharing of maintenance arrangement?

Who did you ask for a legal opinion? I did find a lawyer recommendation for this. How did you frame the issue? You should ask the board before doing this given the expenditure involved.

PC w/ Roger 7/21/16

20,866 gross profit shown on proforma. But, they are basing that on a dramatic increase in fuel sales.

Also, 36,000 in lodging income. Making an efficiencyt apartment in from of ship store? 70% occupancy rate- that is aggressive. 12 weeks of weekly rentals, and then you drop to weekends after the summer months.

No utility cost, electric, water. Labor, liability, maintenance for building and fuel system left out?
20k profit – could be eaten away very quickly if we don't know the true costs. there are some aggressive assumptions on fuel and lodging.

Re-metering in.

The upper unit is only paying twice what a dock pays, although the maintenance for the building is much higher.

We would have to spend 100k to renovate, to get \$1k a week income –it has to be nice.

70% occupnacy at 1000 a week. Wildy over optimistic.

14 is probably optimum plus some weekends.

Without lodging income, you are at 6k loss.

Mortgage payment left out of pro forma. And taxes and insurance.

MC-1123

ROA 2743

You need 30k down for loan, 25k for dhec bond, and no cash flow. Income delayed by how long after acquiring? And no gas in tanks yet. 10-15k for gas in tanks. And what about pumps. 50-75k out of pocket before collecting first dollar in fuel. Also, insurance, permits, labor, deficiency payments.

If we put all the money into the building, we will have enough to maintain our docks? We need to know what money we will need over the next five years to maintain the docks, to factor into proform for shipstore fuel dock.

Fuel—would be nice if break even. But not if 10\$ a gallon.

Who is going to get enjoyment of captains lounge? How many people? But they have to pay for it.

We have to have restrooms and dockmasters office according to permit. Everything else niceties.

MC already has a clubhouse, which they rarely use anyway. Marine members are welcome to join yacht club and participate in that.

Bankruptcy possible.

Masterdeed is derived from easement, which says it can only be used for shipstore.

His lawyer was served notice that this is legal.

Owners of ship store have to indemnify everyone else.

Wants to clarify in easement—no visitors

Color scheme

Easement is superior to master deed.

If we don't revise the easement, MC will sue. They will pay the cost of changing easement.

Priorities—easement change to prevent business pulling outside,

What would be the assessment for maintaining those two units? The current one is too low.

HOA (Mariners CAy) is responsible for maintenance under SC law, and easement is ambiguous on that.

Bottom line—he does not want to be assessed every year for this thing, and will the docks be maintained? Do we have enough money for that?

MC-1124

ROA 2744

Pc w/ Ron 843 906-3417. He let me know they had a meeting without me. They never told me the time of the meeting so I missed it, only found out about it from Ron. Apparently they did call me. Neither tom nor jeff got the emails. \$75 offer to buy first floor and both docks, and he does foundation work. Ron voted against it. Jeff had tom's proxy, so 3 against 1. Ron: Dolph has a tremendous liability with gas docks. He thinks offer should be: 1st floor and gas docks for nothing, and we will take liability for fuel. Option B, give him the first floor, but we reserve from office and bathrooms and gas docks, and we take over liability. We'd have to change the easement (move the entrance). He thinks laurie will not push fuel dock issue. She will give more money for purchase price, and then

Jeff: but it will raise property values. Ron: but we'll never get investment back.

They decided to only have fuel open when Ed is there and not hire someone.

They are going to make a proposal for owners after we reach an agreement.

We can make decision about fuel later.

By fuel dock and mortgage big ticket items—bank says yes.

Umbrella
Survey
Release Stringer letter?
Scheduling

Replace:
Windows
Sliding doors
Floor joists?

Second opinion from Derek Dean (?)
\$77k in arrears

8/25/16 Board meeting
No response back from Dolph.

What do we want to do re: buying fuel dock/ship store?

MC-1125

ROA 2745

Dolph: \$35k each for docks, fuel permit concession :50k, purchase of 2 2000 gallon tanks 34k, and to install, \$25k.

Closed properties: he used a 50ft dock for \$35k.

But the following needs to be done with fuel dock is used or not: 6800 to pump out fuel, 4800 arrears to dhcc. 11600. Possibly more (fill tanks?)

40,000 - 11,600 = 28,400.

Ship's store:

Dolph's comps are condos. We have appraisal for 140k. But is that based on the fact that ships store use only. Dolph wants \$250 for ships store.

Issues for lawyer to investigate:

Who is responsible for maintaining Ship's Store exterior—marina vs. owner of units?

What revisions are needed to documents to clarify right to bathrooms, office for marina manager, common areas.

Definition of common areas—section 7 of masterdeed.

9/1/16

Not all owners are listed on financial statement, why not?

What are these legal fees for?

Need to meet with Amanda to explain this stuff for me.

Ed has email list for ownership.

Amanda to send email re upcoming meeting and Laurie resignation, board vacancy.

I was elected secretary, treasurer. Jeff's wife Beth is a good resource if I have questions—she is a bookkeeper.

We are going to tell Dolph still contemplating offer, but to expect appraisal minus known expenses.

Tom elected president, Jeff VP.

9/20/16

Public meeting BOD

BOD present: Ron, Jeff, David, Tom

MC-1126

ROA 2746

Amanda Sentry

Evette

Dolph

Haywood

- 1) Introduction of new board positions
- 2) Review of financials by Amanda
Surplus of 11k. Utilities & management under budget (we spent too much)
- 3) Adding electrical: dolph wants to hold off and get electrician estimate.
Says he owns that space.
- 4) Update of where we are on negotiating on purchase of ships store.
- 5) We are consulting atty about clarifying common areas, bathrooms, manager area.
- 6) Electrical for fuel docks? Suggests letting him use his HOA fees for doing it. Tom: not paying fees is not negotiable.
- 7) We need a pump out per OCR. Dolph: how does that work? Do you rent a slip for me? Dolph says he is complying (or working on complying) with DHEC, AB on staff, permit, etc.
- 8) Dolph: Rick stringer: heavy handed letter. He did not respond.
- 9) Dolph: 131 a month for upstairs, 260 for downstairs. He is paying maintenance, insurance, repairs, taxes, doesn't think he should pay dues. Tom: masterdeed requires it. Ron: it goes for other things too, road, fees to MCC, etc.
- 10) Dolph: he has not paid his HOA yet. Should he pay them under protest?
- 11) Three phases: exterior, commercial space, foundation. Ace industries?
- 12) 900 for pedestal, 500 for install, does circuit have capacity? Dolph suggests that we could put electrical service in the pedestals that are there in the closest docks.
- 13) Dolph suggests fuel dock solution; MCM should rent a slip. At least for short term. Regime fee is 131 per month per dock. 394 is quarter for everyone else.
- 14) Haywood: His slip is shoaling. D14. 3' draft. In a normal low tide, he has a foot of water under his boat. At an unusually low tide, he is aground. Tom: we can look into it, but it is major: permitting + cost.

MC-1127

ROA 2747

15) Review of draft budget: We budgeted 5k for maintenance, we have spent \$8k. So we are increasing budget to \$10k. Dockmaster is more active in doing maintenance.

Fees charged for collections, those are billed to the people in areas.

Me: read up on reserves—what should our reserves be. Joyce at Strickland Marine is who I . Tom Salter did a survey recently of marina. We should get that for punch list. How much do we need on hand for deductible. Tom Salter: 568-5857.

Also: look into collections attorney for collection 71k in receivables.

Dolph: he is paying water and electric for bathroom. He feels he should be reimbursed.

Dolph did replace the condo AC, but he is not running it. Mold 820 amp distribution panel, what is the service for the dock vs service for ship's store? HE called SCEG and they said there was a meter for MC dock that was discontinued in 2011.

Insurance: are there two policies on the building? Amanda will get copies of policies and have Strickland see if there is redundant policies.

Note: he has a good point, he paid for maintenance to exterior

Executive session:

Write off \$40 in petty cash deceased dockmaster.

71k in receivable from former owners.

Ownership

Tom: Prop

Dolph:

Issue: he owns condos—but effectively, the whole building is for his benefit. So why should we pay to maintain? Also, we need certain things so we can function as marina under OCR, bathroom, manager office/storage, pumpout. We could lease or buy, but buy not realistic.

Dolph: Marine feels there is part of coownership. Dolph disagrees. How to resolve issue? Dolph does not view any of that building as common space.

What does the marina need? Pump out, bathroom, space. Dolph not willing to give—it cost him money to buy, rehab . . . Selling would be easiest solution.

MC-1128

ROA 2748

Fuel dock: Owners won't pay for more than appraisal. Dolph gets that. He thinks there is more value. He will sell to us or put it on the open market.

Bathrooms: can he move them? probably, . . . but depends on what he decides to do with the property.

Space for dockmaster: Rent? Free? Maybe Dolph builds an addition—a bathroom & dockmaster at his expense, and "give" it to us. Why, because he wants that unencumbered ownership of that building. He wants it clarified.

Dolph: perhaps he sends a proposal and we go from there. We sit down on it.

Dolph: buy the fuel dock at agreed price, and in return, give him new language in HOA that unencumbers his ownership, at the end of dock, there is a space that is not assigned—he'd like that.

What about the slip we own?

Bathroom, dockmaster office? He would like bathrooms to be moved. He feels he has a right to do that. Ground level. In short term, move bathrooms to ground level in front of building. But pilings need to be repaired. Pour a slab. He thinks it is doable under code, etc. because there are commercial spaces with ground level bathrooms. Re: Roger's concern, convert it into condo space and let commercial designation go away. (Short term, he wants to put it under building.) He was not particularly open on having the dockmaster office on the water side of that slab—"the money side." Or building on fuel dock for Ed. Or small shelter on fuel dock. Liker tolers cover on Sullivans Island, or Ashley marina. Something large enough for desk, etc.

You can't change percentages without everyone agreeing.

Sect. 23.1 requires us to carry insurance for the "units" including the ship store, so that will include the shop store building and justify why Dolph must pay regime fees.

Work everything,

He paid for fuel dock permit, there were previous bills unpaid, he is negotiating because he was not the owner. DHEC: owner of record has to pay. But they never notified the owner. Got financial accountability done. He put up the docks as collateral. Needs to have system pressure tested.

We buy fuel dock, we come up with clean HOA revision.

But what about ownership of that ground floor space? Long term lease? Yes, but record it. With unit 1 or unit 2? Also, a private meter for

Slab: no mans land. Not a unit.



9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Atlantic Appraisals, LLC and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Atlantic Appraisals, LLC.



17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.



24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire a greater level of measuring detail, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer). We reserve the right to use an alternative source of building size and amend the analysis, narrative and concluded values (at additional cost) should this alternative measurement source reflect or reveal substantial differences with the measurements used within the report.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, we reserve the right to amend this appraisal (at additional cost) if substantial differences are discovered.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, then this appraisal is subject to a review of the final plans and specifications when available (at additional cost) and we reserve the right to amend this appraisal if substantial differences are discovered.
28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.



29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.



35. You and Valbridge Property Advisors | Atlantic Appraisals, LLC both agree that any dispute over matters in excess of \$5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Atlantic Appraisals, LLC and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Atlantic Appraisals, LLC or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Atlantic Appraisals, LLC for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Atlantic Appraisals, LLC shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Atlantic Appraisals, LLC. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Atlantic Appraisals, LLC and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Atlantic Appraisals, LLC harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Atlantic Appraisals, LLC in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by Atlantic Appraisals, LLC. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.



39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.



Certification – Christopher D. Donato

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. Within the three-year period immediately preceding acceptance of this assignment, Christopher D. Donato no prior service provided previous services regarding the property that is the subject of this report, as an appraiser or in any other capacity.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Christopher D. Donato has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to those signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.



13. As of the date of this report, Christopher D. Donato completed the continuing education program for Designated Members of the Appraisal Institute.

A handwritten signature in black ink that reads "Christopher D. Donato".

Christopher D. Donato, MAI, CCIM
Senior Managing Director
South Carolina Certified General CG 292
Expires 06-30-2016



Addenda

Subject Photos

Glossary

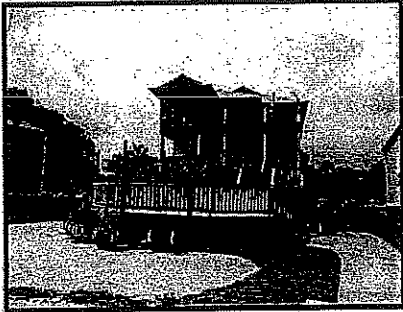
Qualifications

- Christopher D. Donato, MAI, CCIM --Senior Managing Director

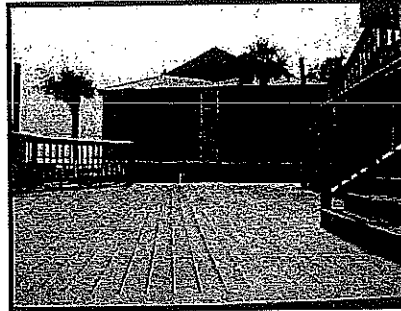
Information on Valbridge Property Advisors

Office Locations

Subject Photographs



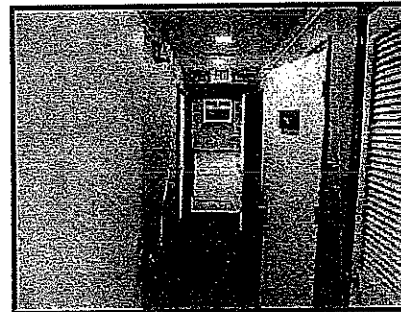
Rear of subject building



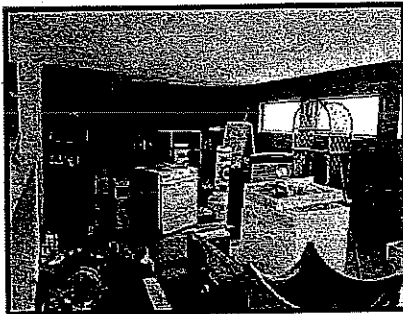
Deck that is part of the unit



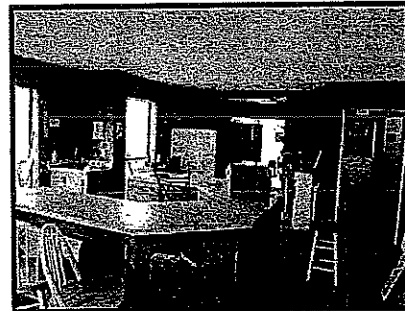
Marina view from the subject unit



Hallway in subject unit with men's and ladies' restrooms



Open area



Interior of unit

Glossary

Definitions are taken from the Dictionary of Real Estate Appraisal, 5th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP) and Building Owners and Managers Association International (BOMA).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (Dictionary)

Additional Rent

Any amounts due under a lease that is in addition to base rent. Most common form is operating expense increases. (Dictionary)

Amortization

The process of retiring a debt or recovering a capital investment; typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (Dictionary)

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Dictionary)

Base (Shell) Building

The existing shell condition of a building prior to the installation of tenant improvements. This condition varies from building to building, landlord to landlord, and generally involves the level of finish above the ceiling grid. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

The areas of the building that provide services to building tenants but which are not included in the rentable area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common areas are: floor common areas, parking spaces, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Certificate of Occupancy (COO)

A statement issued by a local government verifying that a newly constructed building is in compliance with all codes and may be occupied.

Common Area (Public) Factor

In a lease, the common area (public) factor is the multiplier to a tenant's useable space that accounts for the tenant's proportionate share of the common area (restrooms, elevator lobby, mechanical rooms, etc.). The public factor is usually expressed as a percentage and ranges from a low of 5 percent for a full tenant to as high as 15 percent or more for a multi-tenant floor. Subtracting one (1) from the quotient of the rentable area divided by the useable area yields the load (public) factor. At times confused with the "loss factor" which is the total rentable area of the full floor less the useable area divided by the rentable area. (BOMA)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.

CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas and sometimes the exterior walls of the buildings. CAM can refer to all operating expenses.

CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative load. An example would be a 15 percent addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee. (Dictionary)

Condominium

A form of ownership in which each owner possesses the exclusive right to use and occupy an allotted unit plus an undivided interest in common areas.

A multiunit structure, or a unit within such a structure, with a condominium form of ownership. (Dictionary)

Conservation Easement

An interest in real property restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement may permit farming, timber harvesting, or other uses of a rural nature to continue, subject to the easement. In some locations, a conservation easement may be referred to as a conservation restriction. (Dictionary)

Contributory Value

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI/Im), which measures the relative ability to a property to meet its debt service out of net operating income. Also called Debt Service Coverage Ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (Dictionary)

Depreciation

- 1) In appraising, the loss in a property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2) In accounting, an allowance made against the loss in value of an asset for a defined purpose and computed using a specified method. (Dictionary)

Disposition Value

The most probable price that a specified interest in real property is likely to bring under the following conditions:

- Consummation of a sale within a exposure time specified by the client;
- The property is subjected to market conditions prevailing as of the date of valuation;
- Both the buyer and seller are acting prudently and knowledgeably;
- The seller is under compulsion to sell;
- The buyer is typically motivated;
- Both parties are acting in what they consider to be their best interests;

- An adequate marketing effort will be made during the exposure time specified by the client;
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

The date at which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect. (Dictionary)

Effective Gross Income (EGI)

The anticipated income from all operations of the real property after an allowance is made for vacancy and collection losses and an addition is made for any other income. (Dictionary)

Effective Rent

The rental rate net of financial concessions such as periods of no rent during the lease term and above- or below-market tenant improvements (TIs). (Dictionary)

EPDM

Ethylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings. (Dictionary)

Escalation Clause

A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called an expense recovery clause or stop clause. (Dictionary)

Estoppel Certificate

A statement of material factors or conditions of which another person can rely because it cannot be denied at a later date. In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an estoppel letter. (Dictionary)

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and

best use of the improved parcel. Excess land may have the potential to be sold separately and is valued separately. (Dictionary)

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. (Dictionary)

Exposure Time

1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary)

Extraordinary Assumption

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary)

Floor Common Area

Areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. (BOMA)

Full Service (Gross) Lease

A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a full service lease. (Dictionary)

Going Concern Value

- The market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern.
- The value of an operating business enterprise. Goodwill may be separately measured but is an integral component of going-concern value when it exists and is recognizable. (Dictionary)

Gross Building Area

The total constructed area of a building. It is generally not used for leasing purposes (BOMA)

Gross Measured Area

The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading docks (or portions of the same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expense in income-producing properties when less than 100 percent occupancy is assumed. The gross up method approximates the actual expense of providing services to the rentable area of a building given a specified rate of occupancy. (Dictionary)

Gross Retail Sellout

The sum of the appraised values of the individual units in a subdivision, as if all of the units were completed and available for retail sale, as of the date of the appraisal. The sum of the retail sales includes an allowance for lot premiums; if applicable, but excludes all allowances for carrying costs. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning. A general term encompassing any system designed to heat and cool a building in its entirety.

Highest and Best Use

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are 1) legal permissibility, 2) physical possibility, 3) financial feasibility, and 4) maximally profitability. Alternatively, the probable use of land or improved -specific with respect to the user and

timing of the use—that is adequately supported and results in the highest present value. (Dictionary)

Hypothetical Condition

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary)

Industrial Gross Lease

A lease of industrial property in which the landlord and tenant share expenses. The landlord receives stipulated rent and is obligated to pay certain operating expenses, often structural maintenance, insurance and real estate taxes as specified in the lease. There are significant regional and local differences in the use of this term. (Dictionary)

Insurable Value

A type of value for insurance purposes. (Dictionary)
(Typically this includes replacement cost less basement excavation, foundation, underground piping and architect's fees).

Investment Value

The value of a property interest to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (Dictionary)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position as he or she would be if the property had not been taken. (Dictionary)

Leased Fee Interest

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary)

Leasehold Interest

The tenant's possessory interest created by a lease. (Dictionary)

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

- Consummation of a sale within a short period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller are acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interests.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Dictionary)

Loan to Value Ratio (LTV)

The amount of money borrowed in relation to the total market value of a property. Expressed as a percentage of the loan amount divided by the property value. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement including permitted uses, use restrictions, expense obligations; term, concessions, renewal and purchase options and tenant improvements (TIs). (Dictionary)

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is

not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Market Value As If Complete

Market value as if complete means the market value of the property with all proposed construction, conversion or rehabilitation hypothetically completed or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value shall reflect the market value of the property as if complete and prepared for occupancy by tenants.

Market Value As If Stabilized

Market value as if stabilized means the market value of the property at a current point and time when all improvements have been physically constructed and the property has been leased to its optimum level of long term occupancy.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Standards Board of the Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions" address the determination of reasonable exposure and marketing time). (Dictionary)

Master Lease

A lease in which the fee owner leases a part or the entire property to a single entity (the master lease) in return for a stipulated rent. The master lessee then leases the property to multiple tenants. (Dictionary)

Modified Gross Lease

A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a double net lease, net net lease, partial net lease, or semi-gross lease. (Dictionary)

Operating Expense Ratio

The ratio of total operating expenses to effective gross income (TOE/EGI); the complement of the net income ratio, i.e., OER = 1 - NIR (Dictionary)

Option

A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the optionee) to buy, sell, or lease real property for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest

Divided or undivided rights in real estate that represent less than the whole (a fractional interest). (Dictionary)

Pass Through

A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real estate taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Potential Gross Income (PGI)

The total income attributable to real property at full occupancy before vacancy and operating expenses are deducted. (Dictionary)

Prospective Future Value Upon Completion

Market value "upon completion" is a prospective future value estimate of a property at a point in time when all of its improvements are fully completed. It assumes all proposed construction, conversion, or rehabilitation is hypothetically complete as of a future date when such effort is projected to occur. The projected completion date and the value estimate must reflect the market value of the property in its projected condition, i.e., completely vacant or partially occupied. The cash flow must reflect lease-up costs, required tenant improvements and leasing commissions on all areas not leased and occupied.

Prospective Future Value Upon Stabilization

Market value "upon stabilization" is a prospective future value estimate of a property at a point in time when stabilized occupancy has been achieved. The projected stabilization date and the value estimate must reflect the

absorption period required to achieve stabilization. In addition, the cash flows must reflect lease-up costs, required tenant improvements and leasing commissions on all unleased areas.

Replacement Cost

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. (Dictionary)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all of the deficiencies, super-adequacies, and obsolescence of the subject building. (Dictionary)

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (Dictionary)

Sandwich Leasehold Estate

The interest held by the original lessee when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease

An agreement in which the lessee (i.e., the tenant) leases part or all of the property to another party and thereby becomes a lessor. (Dictionary)

Subordination

A contractual arrangement in which a party with a claim to certain assets agrees to make his or her claim junior,

or subordinate, to the claims of another party. (Dictionary)

Substantial Completion

Generally used in reference to the construction of tenant improvements (TIs). The tenant's premises are typically deemed to be substantially completed when all of the TIs for the premises have been completed in accordance with the plans and specifications previously approved by the tenant. Sometimes used to define the commencement date of a lease.

Surplus Land

Land that is not currently needed to support the existing improvement but cannot be separated from the property and sold off. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

Triple Net (Net Net Net) Lease

A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net lease, or fully net lease. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area

The measured area of an office area, store area or building common area on a floor. The total of all the usable areas on a floor shall equal floor usable area of that same floor. The amount of floor usable area can vary over the life of a building as corridors expand and contract and as floors are remodeled. (BOMA)

Value-in-Use

The value of a property assuming a specific use, which may or may not be the property's highest and best use on the effective date of the appraisal. Value in use may or may not be equal to market value but is different conceptually. (Dictionary)



Qualifications

Christopher D. Donato, MAI, CCIM
Atlantic Appraisals
1250 Fairmont Avenue
P.O. Box 834
Mt. Pleasant, South Carolina 29464

EDUCATION:

B.S. Degree 1973
College of Charleston
Charleston, South Carolina

24 Hours towards M.B.A. Degree
The Citadel
Charleston, South Carolina

PROFESSIONAL DESIGNATIONS

Awarded MAI Designation	1984
Awarded CCIM Designation	1997
Approved Instructor for the Appraisal Institute	2003 - Present
Approved USPAP Instructor	2008 - Present

PROFESSIONAL STUDIES (Courses Attended)

International Association of Assessing Officers	
Course I - Introduction	1975
Appraisal Institute	
Course I-A - Real Estate Appraisal Principles	1975
Course I-B - Capitalization Theory & Techniques	1975
Course VIII - Residential Valuation	1977
Course II - Case Studies in Real Estate Valuation	1978
Course VI - Real Estate Investment Analysis	1979
Demonstration Appraisal - Business Reports	1983
Demonstration Appraisal - Office Building	1984
Comprehensive Examination	1984
Market Analysis - Course X	1990
Standards of Professional Practice	1991
Standards of Professional Practice	1996
Standards of Professional Practice (Part C)	2001
Instructor Leadership & Development Conference	2002
Seminar Blitz	2004
Commercial Investment Real Estate Institute	
CI 101 - Financial Analysis for Commercial Real Estate	1995
CI 201 - Market Analysis for Commercial Real Estate	1996
CI 301 - Decision Analysis for Commercial Investment Real Estate	1996
Comprehensive Examination	1997

PROFESSIONAL STUDIES (Seminars Attended)



R41-b and the Appraisers	1985
Computer-Assisted Income Capitalization Approach	1986
Income Capitalization Overview	1986
Standards of Professional Practice	1986
Valuing Income Properties	1986
Rates, Ratios & Reasonableness	1989
Extracting Market Adjustments	1989
Appraising After Hurricane Hugo	1989
Discounted Cash Flow Analysis	1989
Standards of Professional Practice Update	1990
Real Estate Risk Analysis	1990
Litigation Valuation	1993
FIRREA Overview & Practical Application	1993
Discounted Cash Flow Analysis	1993
Appraisal Regulations of the Federal Banking Agencies from the Lender's Perspective	1994
Understanding Limited Appraisals & Reporting Options	1994
Appraisal Institute Symposium: The Changing Role of the Real Estate Analyst	1994
Standards of Professional Practice - Part A	1996
Standards of Professional Practice - Part B	1996
Residential Consulting	1999
Litigation Skills for Appraisers	1999
Valuation of Detrimental Conditions	2000
Highest and Best Use Applications	2000
Data Confirmation and Verification Methods	2000
Appraisal Review, General	2000
Introduction to Appraising for Conservation Easements	2000
Eminent Domain and Condemnation Appraising	2001
Standards of Professional Practice - Part C	2001
National USPAP Update - Course 400	2004
Eminent Domain Conference	2005
What Clients Would Like Their Appraisers to Know	2006
Feasibility Analysis, Market Value, and Investment Timing	2006
Analytics with the Site To Do Business	2007
National USPAP Update	2007
The Valuation of Wetlands	2007
Analyzing Distressed Real Estate	2008
Maintaining Control: Dealing with Client Pressure.	2008
Uniform Standards of Professional Practice, Business Practices and Ethics	2009
Spotlight on USPAP: Agreement of Services	2010
Appraising Distressed Commercial Real Estate	2010
National USPAP Update - Course 400	2010
Residential Design: The Makings of a Good House	2010
Advanced Spreadsheet Modeling for Valuation Applications	2011
2012-2013 National USPAP Update Course	2012

Fundamentals of Separating Real Property, Personal Property



And Valuing Intangible Assets	2012
Marketability Studies: Advanced Considerations and Applications	2013
Conservation Easements and your Taxes	2013

STATE CERTIFICATION

State of South Carolina

Cert. No. CG 292

EXPERIENCE

Charleston County Assessor's Office Senior Staff Appraiser	1974 - 1979
Holcombe & Fair Realtors	1979 - 1984
Moore, Jackson, Donato & Santos	1984 - 1986
Atlantic Appraisals, LLC	1986 - Present

PROFESSIONAL ASSOCIATION AND POSITIONS HELD

- National Association of Realtors
- Charleston Trident Board of Realtors - Realtor
- Commercial Investment Division of the Board of Realtors
- Appraisal Institute - MAI - 1984
- Past President of the Appraisal Institute South Carolina Chapter - 1993
- Commercial Investment Real Estate Institute - CCIM - 1997
- Appraisal Institute Region IX Education Liaison - 2001 thru 2004
- Approved Instructor for the Appraisal Institute - 2003
- Approved Instructor for the Appraisal Foundation - 2008
- Appointed by Governor Nikki Haley to a seat on the South Carolina Real Estate Appraisers Board - 2011

LITIGATION EXPERIENCE

- A non-inclusive list of litigation clients:
- South Carolina Department of Highways (SCDOT)
 - Internal Revenue Service (IRS)
 - NationsBank
 - Wachovia
 - SC State Ports Authority
 - Santee Cooper
 - Smith, Bundy, Bybee & Barnett
 - Sinkler, Boyd
 - Rosen Goodstein & Hagood
 - Ogletree Deakins Nash Smoak and Stewart
 - South Carolina Electric & Gas Co.
 - SC Budget and Control Board
 - Christopher McG. Holmes
 - Ann M. Priest
 - Thomas S. Worley, Jr.
 - Young Clement Rivers & Tisdale
 - Beaufort Memorial Hospital



MARINERS CAY UNIT 1-A
ADDENDA

Jack M. Scoville
Howell Gibson & Hughes
Perry M. Buckner
Santee Cooper
Turner, Padgett, Graham & Laney, P.A.

 **Valbridge**
PROPERTY ADVISORS

FAST FACTS

Company Information on Valbridge Property Advisors

Valbridge is one of the Top 3 national commercial real estate valuation and advisory services firms based on:

- Total number of MAIs (188 on staff)
- Total number of office locations (68 across the U.S.)
- Total number of staff (650+ strong)

Valbridge covers the U.S. from coast to coast.

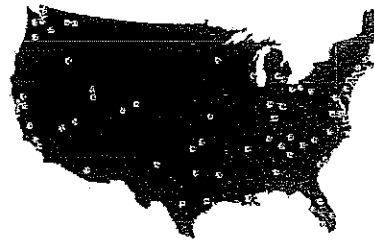
Valbridge services all property types, including special-purpose properties.

Valbridge provides independent valuation services. We are not owned by a brokerage firm or investment company.

Every Valbridge office is led by a senior managing director who holds the MAI designation of the Appraisal Institute.

Valbridge is owned by our local office leaders.

Valbridge welcomes single-property assignments as well as portfolio, multi-market and other bulk-property engagements.





Valbridge
PROPERTY ADVISORS

OFFICE LOCATIONS

ALABAMA

4732 Woodmere Boulevard
Montgomery, AL 36106
334-277-5077

ARIZONA

6051 E. Grant Road
Suite 121
Tucson, AZ 85712
520-321-0000

CALIFORNIA

4915 Calloway Drive
Suite 101
Bakersfield, CA 93312
805-331-4910

1370 N. Brea Boulevard
Suite 255
Frisco, CA 92335
714-449-0852

2813 Coffee Road
Suite E-2
Modesto, CA 95355
209-569-0400

89 S. Lake Avenue
Suite 21
Petaluma, CA 91101
626-744-0426

10331 Placer Lane
Suite 100
Sacramento, CA 95827
916-351-2509

55 South Market Street
Suite 1210
San Jose, CA 95113
408-276-1520

3160 Chino Canyon Place
Suite 245
San Ramon, CA 94583
925-327-1660

COLORADO

5345 Arapahoe Avenue
Suite 7
Denver, CO 80203
303-443-9900

562 Highway 133
Carbondale, CO 81623
970-340-1916

CONNECTICUT

6 Central Row
Third Floor
Hartford, CT 06103-2701
860-246-4834

17 High Street
Suite 214
Norwalk, CT 06851
203-288-6520

FLORIDA

2249 Venetian Court
Naples, FL 34109
239-514-4616

FLORIDA (cont'd.)

605 Hixson Street
Orlando, FL 32833
407-938-3438

1100 4th Street (E)
St. Petersburg, FL 33705
727-894-1800

2715 Polaris Avenue
West Palm Beach, FL 33407
561-833-0331

GEORGIA

2676 Paces Ferry Road
Suite 145
Atlanta, GA 30339
578-644-8853

IDAHO

4459 Tyrol Lane
Suite B
Boise, ID 83706
208-336-1097

1876 N. Layswood Drive
Suite 100
Coeur d'Alene, ID 83514
208-262-2925

INDIANA

820 Ford Wayne Avenue
Indianapolis, IN 46204
317-467-2147

KANSAS

10990 Overton Road
Suite 100
Overland Park, KS 66210
913-451-1451

KENTUCKY

214 South Dix Street
Suite 200
Louisville, KY 40202
502-585-3551

LOUISIANA

512 North Causeway Boulevard
Metairie, LA 70001
504-658-8234

7807 Fern Avenue
Suite 104
Shreveport, LA 71105
318-797-0503

MARYLAND

6240 Old Dolphin Lane
Suite 180
Columbia, MD 21046
410-423-2303

MASSACHUSETTS

21 Hoxsey Street
Suite 2
Lexington, MA 02421
781-452-0700

MICHIGAN

1442 Bishop Street
Detroit, MI 48226
313-655-3313

2187 University Park Drive
Suite 350
Okemos, MI 48864
517-336-0201

MINNESOTA

120 South 6th Street
Suite 1050
Minneapolis, MN 55402
612-253-0650

NEVADA

3034 S. Durango Drive
Suite 100
Las Vegas, NV 89117
702-242-9300

NEW JERSEY

2740 Route 10 West, Suite 204
Morris Plains, NJ 07650
973-870-8333

3500 Route 9 South, Suite 202
Hoboken, NJ 07031
732-807-3113

NEW YORK

424 West 33rd Street
Suite 030
New York, NY 10001
212-269-1113

NORTH CAROLINA

412 E. Chatham Street
Cary, NC 27511
919-459-2666

4530 Park Road, Suite 100
Charlotte, NC 38209
704-370-5400

OHIO

1055 W. Main Street
Suite 130
Akron, OH 44313
330-889-8500

6261 Beechmont Ave.,
Suite B
Cincinnati, OH 45225
513-765-0620

OKLAHOMA

6525 N. Meridian Avenue
Suite 309
Oklahoma City, OK 73116
405-823-4523

6660 South Sheridan Road
Suite 104
Tulsa, OK 74133
918-742-6932

OREGON

6220 SW Warm Springs Street
Suite 102
Tualatin, OR 97062
503-620-0531

PENNSYLVANIA

150 S. Wagner Road
Suite 440
King of Prussia, PA 19406
215-345-1930

4701 Baptist Road
Suite 304
Pottsville, PA 16227
412-881-6050

SOUTH CAROLINA

610 N. Main Street
Columbia, SC 29601
803-233-0277

500 Main Street
Suite 220
Hilton Head Island, SC 29926
843-342-2302

1250 Fairmont Avenue
101 Pleasanton, SC 29469
843-844-1820

TENNESSEE

112 Westwood Pike
Suite 300
Greenwood, TN 37027
615-389-0670

701 Broad Street
Suite 209
Chattanooga, TN 37402
423-285-0435

213 Fox Road
Knoxville, TN 37922
865-572-7424

6750 Peyton Avenue
Suite 705
Memphis, TN 38138
901-753-0977

TEXAS

Two Energy Square
4849 Greenbriar Avenue
Suite 1425
Dallas, TX 75228
214-445-1611

374 Campbell Road
Suite 204
Houston, TX 77034
713-467-5533

3731 61st Street
Lubbock, TX 79423
806-744-1180

111 Bolstead
Suite 800
San Antonio, TX 78205
210-227-6229

UTAH

370 South 2500 West
Suite 201
Pleasant Grove, UT 84052
801-422-0320

1100 East 6000 South
Suite 201
Salt Lake City, UT 84121
801-262-3308

20 North Main
Suite 304
St. George, UT 84770
435-773-6303

VIRGINIA

656 Independence Parkway
Suite 220
Chesapeake, VA 23320
757-410-1222

7400 Battlefield Springs Drive
Suite 200
Richmond, VA 23225
804-672-4413

6107 Center Street
Unit 20
Williamsburg, VA 23108
757-345-0010

WASHINGTON

16728 Doherty Way, NE
Suite B
Bothell, WA 98011
425-450-4940

5927 Cobble Avenue
Suite 100
Burien, WA 98201
425-258-2611

419 Berkeley Avenue
Suite A
Puyallup, WA 99409
253-234-0079

8378 W. Grandridge Boulevard
Suite 150-D
Hempfield, VA 25336
509-221-4540

526 Second Avenue
Suite 1001
Spokane, WA 99204
206-209-3016

324 N. Mallan Road
Spokane Valley, WA 99226
509-747-0933

WISCONSIN

17550 W. North Avenue
Brookfield, WI 53005
262-782-7690

Each Valbridge office is independently owned and operated.

CORPORATE OFFICE 249 Venetian Court, Naples, FL 34109 | 239-514-4616 | www.valbridge.com

PATRICK F. STRINGER

ATTORNEY AT LAW

753 Folly Road (Zip 29412)
Post Office Box 12370
Charleston, S.C. 29422-2370
(843) 795-1331-Fax 762-0144
pfstringer@yahoo.com

August 15, 2016

Mr. Dolf Farmer
Charlestowne Properties
1511 Savannah Hwy
Charleston SC 29407

Re: The Ship Store at Mariner's Cay
Bathroom access

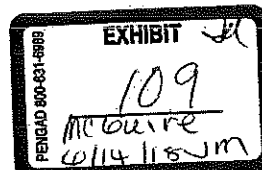
Dear Mr. Farmer:

I represent the Mariner's Cay Council of Co-Owners and have been asked to contact you relative to certain issues that have arisen in regard to your purchase and use of the docks and Ship Store.

The Council is concerned about the access to the bathrooms and use of a portion of the Ship Store for the dock master space. The Master Deed, the By-Laws, the Rules and Regulations all must be complied with in regard to access to the restrooms. This includes decks and walkways in order to access those and I would also point out the permit requirements are mandatory and require restrooms which are described in the operations and maintenance manuals Section 2.21 as being available during normal operating hours located in the Ship Store.

We would also note that any commercial business or other use of the Ship Store is limited by the Master Deed and ~~requires, unless there is~~ consent of the Council of Co-Owners acting through the Board of Directors. If you have other uses of the Ship Store or the fuel docks that would not include a dock master, a usual ship store or fuel, then the Board of Directors need a proposal from you that can be voted on.

Additionally, it is our understanding that you are operating commercial nightly rentals using a boat slip that you rent. Commercial use of a unit requires consent which likewise would require a vote from of the Council of Co-owners, which you have not obtained. What is more, -inasmuch as live-a-boards are prohibited by both the Master Deed and the marina permit. This type of business also raises liability issues, and the Council needs to know exactly the parameters of what is occurring in that regard. We must therefore demand that you cease and desist any such use of this or any other commercial unit in your possession.



MC-1422

ROA 2772

In conclusion, please understand that we appreciate the restorative work that you are presently taking on the Ship Store but need respectfully request your cooperation and clarification of the above-stated issues and

PATRICK F. STRINGER

would appreciate hearing from you ~~or your attorney~~ at your earliest convenience.

yours,

*753 Folly Road (Zip 29412)
Post Office Box 12370
Charleston, S.C. 29422-2370
(843) 795-1331-Fax 762-0144
pfstringer@yahoo.com*

Sincerely

Patrick F.

Stringer
PFS/gsr

cc Ms. Laurene Hull
Ms. Amanda Barnes

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
) THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON) CASE NO.: 2017-CP-10-3099

Elizabeth Heatley, Neal B. McCann, Jr.,)
David Neil Monk, Thomas V. Bessent, and)
Mariners Cay Marina Council of Co-Owners,)
Inc.,)

Plaintiffs,)

vs.)

Mariners Cay Marina Condo, LLC and)
Mariners Cay Fuel Dock, LLC, George A.)
Farmer, Jr., and South Atlantic Bank,)

Defendants.)

NOTICE OF FILING

Please take notice that the Defendants hereby file the following:

1. The Defendants' Trial Exhibits 33-34 and 47-48.

Respectfully submitted,

BUIST BYARS & TAYLOR, LLC

/s/ G. Hamlin O'Kelley, III

G. Hamlin O'Kelley, III,

SC Bar No. 15491

652 Coleman Blvd., Suite 200

Mt. Pleasant, SC 29464

T: (843) 856-4488

F: (843) 856-0613

Hamlin.okelley@buistbyars.com

*Attorney for Defendants Mariners Cay Marina
Condo, LLC, and Mariners Cay Fuel Dock, LLC and
South Atlantic Bank*

LUZURIAGA MIMS, LLP

By: /s/Kevin W. Mims

Kevin W. Mims, Esq.

SC Bar No. 69418

Whidbee S. Perrin, Esq.

SC Bar No. 100396

50 Immigration St, Suite 200

Charleston, SC 29403

(843) 410-4713

kmims@lmlawllp.com

wperrin@lmlawllp.com

*Attorneys for the Defendants Mariners Cay Marina
Condo, LLC and George A. Farmer, Jr.*

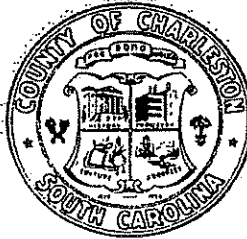
March 25, 2022

ROA 2777

LEGAL DESCRIPTION

Dock Unit C21 ~~XXXXXX~~ Mariners Cay HPR, and HPR established pursuant to South Carolina HPR Act, SC Code Section 27-31-10 et seq. and submitted by Master Deed of Mariners Cay HPR dated May 11, 2006, and recorded in the Office of the Register of Deeds for Charleston County in Book V583 at Page 584, as amended by that Master Deed of Mariners Cay HPR, recorded in Book X618 at Page 603, as shown and delineated on that certain plat entitled "Exhibit B" to the Master Deed of Mariners Cay HPR "Survey showing ships store, Easement and Marina Facilities Mariners Cay Marina at Mariners Cay, City of Folly Beach, Charleston County, South Carolina dated December 27, 2005, revised April 28, 2006" and recorded in the Office of the Register of Deeds for Charleston County as Exhibit "B" of the aforementioned Master Deed.

RECORDER'S PAGE



NOTE: This page **MUST** remain with the original document

Filed By:

SENTRY MANAGEMENT INC
2180 STATE RD 434 W
STE 5000
LONGWOOD, FL 32779

RECORDED		
Date:	December 1, 2016	
Time:	9:35:40 AM	
<u>Book</u>	<u>Page</u>	<u>DocType</u>
0600	740	Notice/Ln
Charlie Lybrand, Register Charleston County, SC		

MAKER:

MARINERS CAY FUEL ETC

of Sats: # of Pages: # of References:

Note:

RECIPIENT:

MARINERS CAY MARINA ETC

Recording Fee	\$ 10.00
Extra Reference Cost	\$ -
Extra Pages	\$ -
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TOTAL	\$ 10.00

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POA 2780

This instrument prepared by and return to:
Collin Bruner, Vice President
Sentry Management, Inc.
4925 Lacross Rd Suite 112
North Charleston, SC 29406
(843) 795-0190



BP0600739

PGS:

3

STATE OF SOUTH CAROLINA }
 }
COUNTY OF Charleston }

NOTICE OF LIEN

YOU WILL PLEASE TAKE NOTICE that the **Mariners Cay Marina Council of Co-Owners, Inc.** does hereby file the within Notice of Lien in connection with the unpaid assessments, fines and other charges in the sum of **\$1,112.41**, plus interest and costs, plus other assessments, fines and charges accruing after **November 10, 2016**, which amount is justly due and owed **Mariners Cay Marina Council of Co-Owners, Inc.** described herein below and carried on the records of the undersigned in the name of **Mariners Cay Fuel Dock LLC**.

The premises affected by the lien is described as follows:

See Attached. Together with the undivided percentage interests in the General Common Elements of the Property appurtenant thereto.

Located on **2 McDonough Rd #C22, Folly Beach SC 29439** in Charleston County, South Carolina.

TMS NUMBER: 328-00-00-508

IN WITNESS WHEREOF, **Mariners Cay Marina Council of Co-Owners, Inc.** has hereunto set its hand and seal this date of **November 10, 2016**.

CM Vargies
WITNESS

Mariners Cay Marina Council of Co-Owners, Inc.

K Bruner
WITNESS

BY: *[Signature]*
Sentry Management, Inc., Agent
By: Collin Bruner, Vice President
4925 Lacross Rd Suite 112
North Charleston, SC 29406

STATE OF SOUTH CAROLINA }
COUNTY OF Charleston }

THE FOREGOING instrument was acknowledged before me on **November 10, 2016**, by **Collin Bruner**, as **authorized representative of the lienor** for the above named Association, who is personally known to me.

BY: *Deborah Jessup*
Notary Public
My Commission Expires: *11-12-23*

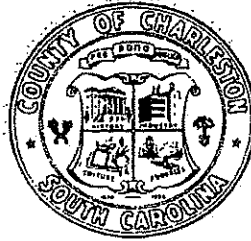
Acct No. SC0670/C22-js

LEGAL DESCRIPTION

Dock Unit [REDACTED] C22, Mariners Cay HPR, and HPR established pursuant to South Carolina HPR Act, SC Code Section 27-31-10 et seq. and submitted by Master Deed of Mariners Cay HPR dated May 11, 2006, and recorded in the Office of the Register of Deeds for Charleston County in Book V583 at Page 584, as amended by that Master Deed of Mariners Cay HPR, recorded in Book X618 at Page 603, as shown and delineated on that certain plat entitled "Exhibit B" to the Master Deed of Mariners Cay HPR "Survey showing ships store, Easement and Marina Facilities Mariners Cay Marina at Mariners Cay, City of Folly Beach, Charleston County, South Carolina dated December 27, 2005, revised April 28, 2006" and recorded in the Office of the Register of Deeds for Charleston County as Exhibit "B" of the aforementioned Master Deed.

RECORDER'S PAGE

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Filed By:

SENTRY MANAGEMENT INC
2180 STATE RD 434 W
STE 5000
LONGWOOD, FL 32779

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Time:	9:35:07 AM	
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Charlie Lybrand, Register Charleston County, SC		

MAKER:

MARINERS CAY FUEL ETC

RECIPIENT:

MARINERS CAY MARINA ETC

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Extra Reference Cost	\$ -
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TOTAL	\$ 10.00

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ROA 2785



BP0627542

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STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

SATISFACTION OF NOTICE OF LIEN

The debt, in the name of Mariners Cay Fuel Dock LLC, hereby secured is paid in full and the lien of this instrument is satisfied, being a Notice of Lien recorded by Mariners Cay Marina Council of Co-Owners, Inc. on Parcel ID Number: 328-00-00-507, Dock Unit C21, Mariners Cay HPR a/k/a 2 McDonough Rd., #C21, Folly Beach, SC 29439 in the amount of \$1,112.41 dated December 1, 2016, and recorded in the Office of the RMC for Charleston County, South Carolina, in Book 0600, Page 740.

IN WITNESS WHEREOF the undersigned has set his hand and seal this 30 day of March, 2017.

In the Presence Of:

MARINERS CAY MARINA COUNCIL
OF CO-OWNERS, INC.

[Signature]

1st Witness

[Signature]

2nd Witness

BY: [Signature]
By: Derek F. Dean
Its: Attorney

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

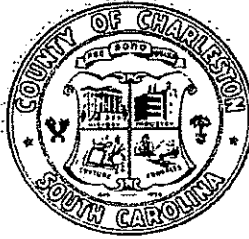
ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 30 day of March, 2017, by Mariners Cay Marina Council of Co-Owners, Inc., by Derek F. Dean, its Attorney.

SWORN TO before me
this 30 day of March, 2017.

[Signature]
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: July 20, 2026

RECORDER'S PAGE



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Filed By:

SIMONS & DEAN ATTY AT LAW
 147 WAPPOO CREEK DR
 STE 604
 CHARLESTON SC 29412

RECORDED		
Date:	April 3, 2017	
Time:	12:28:30 PM	
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Charlie Lybrand, Register Charleston County, SC		

MAKER:

MARINERS CAY FUEL ETC

# of Pages:	2
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RECIPIENT:

MARINERS CAY MARINA ETC

Note:

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2

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

SATISFACTION OF NOTICE OF LIEN

The debt, in the name of **Mariners Cay Fuel Dock LLC**, hereby secured is paid in full and the lien of this instrument is satisfied, being a Notice of Lien recorded by **Mariners Cay Marina Council of Co-Owners, Inc.** on Parcel ID Number: **328-00-00-508, Dock Unit C22, Mariners Cay HPR a/k/a 2 McDonough Rd., #C22, Folly Beach, SC 29439** in the amount of **\$1,112.41** dated **December 1, 2016**, and recorded in the Office of the RMC for Charleston County, South Carolina, in **Book 0600, Page 739**.

IN WITNESS WHEREOF the undersigned has set his hand and seal this 30 day of March, 2017.

In the Presence Of:

MARINERS CAY MARINA COUNCIL OF CO-OWNERS, INC.

Eric Rul

BY: 

1st Witness

By: **Derek F. Dean**

Brenda Casey

Its: **Attorney**

2nd Witness

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

ACKNOWLEDGMENT

The foregoing instrument was acknowledged before me this 30 day of **March, 2017**, by **Mariners Cay Marina Council of Co-Owners, Inc.**, by **Derek F. Dean**, its **Attorney**.

SWORN TO before me
this 30 day of March, 2017.

Brenda Casey
NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: July 20, 2026

RECORDER'S PAGE



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SIMONS & DEAN ATTY AT LAW
 147 WAPPOO CREEK DR
 STE 604
 CHARLESTON SC 29412

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Date:	April 3, 2017	
Time:	12:29:17 PM	
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Charlie Lybrand, Register Charleston County, SC		

MAKER:

MARINERS CAY FUEL ETC

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RECIPIENT:

MARINERS CAY MARINA ETC

Note:

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STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
) THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON) CASE NO.: 2017-CP-10-3099

Elizabeth Heatley, Neal B. McCann, Jr.,)
David Neil Monk, Thomas V. Bessent, and)
Mariners Cay Marina Council of Co-Owners,)
Inc.,)

Plaintiffs,)

vs.)

Mariners Cay Marina Condo, LLC and)
Mariners Cay Fuel Dock, LLC, George A.)
Farmer, Jr., and South Atlantic Bank,)

Defendants.)

NOTICE OF FILING

Please take notice that the Defendants hereby file the following:

1. The Defendants' Trial Exhibits 61 and 64.

Respectfully submitted,

BUIST BYARS & TAYLOR, LLC

/s/ G. Hamlin O'Kelley, III

G. Hamlin O'Kelley, III,

SC Bar No. 15491

652 Coleman Blvd., Suite 200

Mt. Pleasant, SC 29464

T: (843) 856-4488

F: (843) 856-0613

Hamlin.okelley@buistbyars.com

*Attorney for Defendants Mariners Cay Marina
Condo, LLC, and Mariners Cay Fuel Dock, LLC and
South Atlantic Bank*

LUZURIAGA MIMS, LLP

By: /s/Kevin W. Mims

Kevin W. Mims, Esq.

SC Bar No. 69418

Whidbee S. Perrin, Esq.

SC Bar No. 100396

50 Immigration St, Suite 200

Charleston, SC 29403

(843) 410-4713

kmims@lmlawllp.com

wperrin@lmlawllp.com

*Attorneys for the Defendants Mariners Cay Marina
Condo, LLC and George A. Farmer, Jr.*

March 25, 2022

Capers Barr IV

From: Jeffrey Heatley <Jeff.Heatley@codelynx.com>
Sent: Tuesday, November 28, 2017 12:21 PM
To: Capers Barr IV
Subject: FW: Auction of Ships Store and Fuel Dock

Jeff Heatley

CEO



P // 843.266.2330
F // 843.266.2333
4937 Fargo Street
North Charleston, SC 29418
www.codelynx.com

From: Jeffrey Heatley
Sent: Thursday, November 9, 2017 9:53 AM
To: 'Tom Bessent' <tbessent123@gmail.com>
Subject: FW: Auction of Ships Store and Fuel Dock

Jeff Heatley

CEO

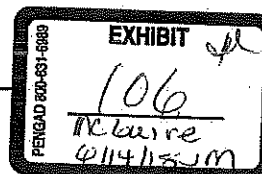


P // 843.266.2330
F // 843.266.2333
4937 Fargo Street
North Charleston, SC 29418
www.codelynx.com

From: Michael Sutton [<mailto:mchsutton@gmail.com>]
Sent: Friday, April 17, 2015 10:44 AM
To: Jeff E. Heatley <jeff.heatley@codelynx.com>; Laurene Hull <laurenehull1@gmail.com>; Nelson Maier <maiern006@comcast.net>; ronaldmcguire1@gmail.com
Cc: Collin Bruner <cbruner@sentrymgt.com>
Subject: Auction of Ships Store and Fuel Dock

Board Members,

Apparently the bank which holds the lien on the fuel dock and the Ship's Store has completed all foreclosure proceedings and is now planning to have them sold at auction on May 5th.



I have spent the last couple of days seeking out options open to us to bid on the properties. After conversation with Collin Bruner of Sentry Management he has confirmed that our reserve fund cannot be used for this purpose, and we do not have sufficient funds in our operating account to purchase the fuel dock and continue to fund day to day operations of the marina.

This leaves us with two options which I can see:

- 1) Approach a bank to arrange financing for one or both properties
- 2) Partner with an entity which has the ability to purchase one or both properties and agree to a long-term lease or buyout arrangement

I've asked for and received a list of bank contacts from Collin that would allow us to move forward with option #1, however, we've attempted this previously and were denied, so we should not expect that this is possible.

I've also approached Atlantic Asset Management, our Dock Master, since in previous discussions they have shown an interest in the marina acquiring the properties as well and may have the financial ability to fund the purchase if we can make some prior arrangement with them.

We have very little time to make arrangements prior to the sale, so the board must make two decisions:

- 1) Which property do we wish to purchase, one, both, or neither
- 2) How much are we willing to bid for our purchase

I wish it were possible to attend a quick meeting this Saturday, but I will be unavailable. However, if the rest of the board can meet tomorrow then I may be able to call in depending on the time. I do believe that we have much to discuss and very little time to do so, and the first step would be to get everyone's input by responding to this email.

I personally do not believe that owning the Ship's Store is worth the cost or the liability for the Marina, but that we need a usage agreement with whoever does own it. I firmly believe that we should own the fuel dock if at all possible. In fact, if it is to be operated as a fuel dock, MCM is the only owner which makes financial sense, as we already have the cost of manning the pump built in to our overhead with our dock master, and no other entity could operate them profitably based on past history of sales of fuel. This indicates to me that any owner other than MCM will likely convert them to some other purpose.

I will forward all of the information I have on the property, which includes the appraisal of both properties completed approximately 3 years ago, and the record of fuel sales in the last several years of fuel dock operations.

I look forward to everyone's comments and replies.

Best Regards,
Mike



APPRAISAL REPORT

OF THE REAL PROPERTY LOCATED AT

UNIT 1-B MARINERS CAY DRIVE, #1-B
FOLLY BEACH, SC 29439

for

CLIENT: BUJST BYARS & TAYLOR LLC
652 COLEMAN BLVD. STE 200
MT. PLEASANT, S.C.
29464

as of

10/29/2019

by

Harold O. Mathisen III
246 Mathis Ferry Road, Suite 200
MT PLEASANT, SC 29464

CHARLESTON AREA APPRAISALS

ROA 2797
BB 02-0099
Mariners Cay

CHARLESTON AREA APPRAISALS
246 Mathis Ferry Road, Suite 200
MT PLEASANT, SC 29464
843-577-5859

December 9, 2019

CLIENT: BUIST BYARS & TAYLOR LLC
652 COLEMAN BLVD. STE 200
MT. PLEASANT, S.C.
29464

Property - UNIT 1-B MARINERS CAY DRIVE
FOLLY BEACH, SC 29439
Borrower - OWNER: MARINERS CAY MARINA CONDO LLC
File No. - 19-633T
Case No. -

Dear O'KELLEY :

In accordance with your request, I have prepared an appraisal of the real property located at UNIT 1-B MARINERS CAY DRIVE, FOLLY BEACH, SC.

The purpose of the appraisal is to provide an opinion of the market value of the property described in the body of this report.

Enclosed, please find the report which describes certain data gathered during our investigation of the property. The methods of approach and reasoning in the valuation of the various physical and economic factors of the subject property are contained in this report.

An inspection of the property and a study of pertinent factors, including valuation trends and an analysis of neighborhood data, led the appraiser to the conclusion that the market value, as of 10/29/2019 is :

\$385,000

The opinion of value expressed in this report is contingent upon the Limiting Conditions attached to this report.

It has been a pleasure to assist you. If I may be of further service to you in the future, please let me know.

Respectfully submitted,

CHARLESTON AREA APPRAISALS



Harold O. Mathisen III
SC Certification #739

BBT RDA 2798
Mariners Cay
699

Individual Condominium Unit Appraisal Report

File # 19-633T

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address **UNIT 1-B MARINERS CAY DRIVE** Unit # **1-B** City **FOLLY BEACH** State **SC** Zip Code **29439**
 Borrower OWNER: **MARINERS CAY MARINA CONDO LLC** Owner of Public Record **OWNER: MARINERS CAY MARINA CONDO** County **CHARLESTON**
 Legal Description **UNIT 1-B - MARINERS CAY MARINA HPR (2ND FLOOR- 3 BR 2 BA UNIT)**

Assessor's Parcel # **328-00-00-545** Tax Year **2018** R.E. Taxes \$ **1,922**
 Project Name **MARINERS CAY** Phase # **1** Map Reference **CHAS. COUNTY TAX MAPS** Census Tract **20.03**
 Occupant Owner Tenant Vacant Special Assessments \$ **0** HOA \$ **394** per year per month per month
 Property Rights Appraised Fee Simple Leasehold Other (describe) _____
 Assignment Type Purchase Transaction Refinance Transaction Other (describe) **LEGAL PURPOSES FOR THE CLIENT**
 Lender/Client **CLIENT: BUIST BYARS & TAYLOR LLC** Address **652 COLEMAN BLVD, STE 200, MT. PLEASANT, S.C. 29464**
 Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? Yes No
 Report data source(s) used, offering price(s), and date(s). **CTAR MLS.**

I did did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

Contract Price \$ _____ Date of Contract _____ Is the property seller the current owner? Yes No Data Source(s) _____
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? Yes No
 If Yes, report the total dollar amount and describe the items to be paid. _____

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics				Condominium Unit Housing Trends				Condominium Housing		Present Land Use %	
Location	Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	90 %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75%	<input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	5 %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	100	Low 0	Multi-Family	10 %
Neighborhood Boundaries FOLLY BEACH IS BOUND TO THE NORTH BY THE FOLLY RIVER, TO THE SOUTH BY THE ATLANTIC OCEAN, TO THE WEST BY STONO INLET AND TO THE EAST BY LIGHTHOUSE CREEK.								3000	High 40	Commercial	5 %
Neighborhood Description MARINERS CAY IS A CONDOMINIUM DEVELOPMENT LOCATED IN THE TOWN OF FOLLY BEACH, AND FRONTS ON THE FOLLY RIVER. THERE IS ANOTHER CONDOMINIUM DEVELOPMENT IN THE SAME COMPLEX, MARSH WALK VILLAS. THERE IS A COMMUNITY POOL, CLUB HOUSE, TENNIS COURTS, AND MARINA WITHIN MARNIERS CAY. *** See Additional Comments ***								400	Pred. 35	Other	3 %

Market Conditions (including support for the above conclusions) **THE APPRAISER HAS RUN A COMPETITIVE MARKET ANALYSIS FOR THE SUBJECT NEIGHBORHOOD (MARINERS CAY) FROM THE CHARLESTON TRIDENT MULTIPLE LISTING SERVICE. CURRENTLY IN THE SUBJECT PRICE RANGE THERE ARE 7 HOMES LISTED FOR SALE, 2 HOMES WITH SALE PENDING AND 9 HOMES WHICH HAVE SOLD WITHIN THE PAST TWELVE MONTHS. *** See Additional Comments *****

Topography **LEVEL** Size **TYPICAL OF AREA** Density **AVERAGE** View **B;FOLLY RIVER;MARINA**
 Specific Zoning Classification **MARINE COMMERCIAL MC** Zoning Description **MARINE COMMERCIAL - SEE DEFINITION - RESIDENTIAL USE ALLOWED**
 Zoning Compliance Legal Legal Nonconforming - Do the zoning regulations permit rebuilding to the current density? Yes No
 No Zoning Illegal (describe) _____

Is the highest and best use of subject property as improved (or as proposed per plans and specifications) the present use? Yes No If No, describe _____

CONFORMS

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>		Water	<input checked="" type="checkbox"/>	Street	<input checked="" type="checkbox"/> ASPHALT	<input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>		Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	<input type="checkbox"/> NONE	<input type="checkbox"/>

FEMA Special Flood Hazard Area Yes No FEMA Flood Zone **VE** FEMA Map # **45019C0687J** FEMA Map Date **11/17/2004**
 Are the utilities and off-site improvements typical for the market area? Yes No If No, describe _____
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? Yes No If Yes, describe **THERE ARE NO KNOWN OR APPARENT ADVERSE ENVIRONMENTAL CONDITIONS THAT WOULD NEGATIVELY IMPACT THE VALUE OR MARKETABILITY OF THE SUBJECT PROPERTY. SEE FLOOD MAP TO CONFIRM THE FLOOD ZONE DETERMINATION. THE FINAL DETERMINATION SHOULD BE MADE BY A LICENSED SURVEYOR. *** See Additional Comments *****

Data source(s) for project information **MLS/PUBLIC RECORDS/MANAGEMENT AGENCY/AGENT/OWNER**

General Description	General Description	Subject Phase	If Project Completed	If Project Incomplete
# of Stories 2	Exterior Walls WOOD	# of Units 135	# of Phases 1	# of Planned Phases
# of Elevators 0	Roof Surface ASPHLT	# of Units Completed 135	# of Units 135	# of Planned Units
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed	Total # Parking COMMON	# of Units For Sale 7	# of Units For Sale 7	# of Units For Sale
<input type="checkbox"/> Under Construction	Ratio (spaces/units) 2.00	# of Units Sold 135	# of Units Sold 135	# of Units Sold
Year Built 1980	Type OPEN	# of Units Rented ?	# of Units Rented ?	# of Units Rented
Effective Age 10-15	Guest Parking YES	# of Owner Occupied Units ?	# of Owner Occupied Units ?	# of Owner Occupied Units

Project Primary Occupancy Principle Residence Second Home or Recreational Tenant

Is the developer/builder in control of the Homeowners' Association (HOA)? Yes No
 Management Group— Homeowners' Association Developer Management Agent— Provide name of management company. **SENTRY MANAGEMENT**
COMPANY IS THE MANAGEMENT AGENCY THAT MANAGES THE REGIME. PHONE NUMBER: 843-795-0190 X 51707. * See Additional Comments *****
 Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? Yes No If Yes, describe _____

Was the project created by the conversion of an existing building(s) into a condominium? Yes No If Yes, describe the original use and the date of conversion. _____

Are the units, common elements, and recreation facilities complete (including any planned rehabilitation for a condominium conversion)? Yes No If No, describe _____

Is there any commercial space in the project? Yes No If Yes, describe and indicate the overall percentage of the commercial space. **0%;NONE**

CURRENTLY

Individual Condominium Unit Appraisal Report

File # 19-633T

P R O J E C T I N F O R M A T I O N

Describe the condition of the project and quality of construction. THE SUBJECT IS OF AVERAGE CONSTRUCTION. ELEVATED (PILING) FOUNDATIONS FOR ALL UNITS. FLOOR PLANS ARE TYPICAL AND FUNCTIONAL FOR THE AREA.

Describe the common elements and recreational facilities. TENNIS COURTS, POOL, CLUB HOUSE, COMMUNITY DOCK, ENTRY GATE. *BOAT RAMP, MARINA AVAILABLE FOR RESIDENTS BUT ARE NOT INCLUDED IN THE COMMON ELEMENTS.

Are any common elements leased to or by the Homeowners' Association? Yes No If Yes, describe the rental terms and options.

Is the project subject to ground rent? Yes No If Yes, \$ _____ per year (describe terms and conditions)

Are the parking facilities adequate for the project size and type? Yes No If No, describe and comment on the effect on value and marketability.

P R O J E C T A N A L Y S I S

I did did not analyze the condominium project budget for the current year. Explain the results of the analysis of the budget (adequacy of fees, reserves, etc.), or why the analysis was not performed. NOT PROVIDED.

Are there any other fees (other than regular HOA charges) for the use of the project facilities? Yes No If Yes, report the charges and describe. NONE

Compared to other competitive projects of similar quality and design, the subject unit charge appears High Average Low If High or Low, describe

Are there any special or unusual characteristics of the project (based on the condominium documents, HOA meetings, or other information) known to the appraiser? Yes No If Yes, describe and explain the effect on value and marketability.

Unit Charge \$ 394 per month X 12 = \$ 4,728 per year Annual assessment charge per year per square feet of gross living area = \$ 4

Utilities included in the unit monthly assessment None Heat Air Conditioning Electricity Gas Water Sewer Cable Other (describe)

INSURANCE

General Description	Interior	materials/condition	Amenities	Appliances	Car Storage
Floor # 2	Floors	CPT/TLE/LAM HW/AVE	Fireplace(s) # 0	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> None
# of Levels 1	Walls	DRYWALL/AVG	Woodstove(s) # 0	<input checked="" type="checkbox"/> Range/Oven	<input type="checkbox"/> Garage <input type="checkbox"/> Covered <input checked="" type="checkbox"/> Open
Heating Type FWA Fuel ELEC	Trim/Finish	WD/AVG	<input checked="" type="checkbox"/> Deck/Patio <input type="checkbox"/> LG DECK	<input checked="" type="checkbox"/> Disp <input type="checkbox"/> Microwave	# of Cars 2
<input checked="" type="checkbox"/> Central AC <input type="checkbox"/> Individual AC	Bath Wainscot	FBRGLS/TILE/AVG	<input type="checkbox"/> Porch/Balcony	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Assigned <input type="checkbox"/> Owned
<input type="checkbox"/> Other (describe)	Doors	WD /AVE	<input type="checkbox"/> Other NONE	<input type="checkbox"/> Washer/Dryer	<input type="checkbox"/> Parking Space #

Finished area above grade contains: 5 Rooms 3 Bedrooms 2.0 Baths 1,303 Square Feet of Gross Living Area Above Grade

Are the heating and cooling for the individual units separately metered? Yes No If No, describe and comment on compatibility to other projects in the market area.

THERE IS CURRENTLY ONLY ONE ELECTRIC METER FOR THE SUBJECT BUILDING. THIS APPRAISAL ASSUMES THERE ARE TWO - ONE FOR EACH UNIT - UP AND DOWN.

Additional features (special energy efficient items, etc.) HARDWOOD FLOORS, AVE BATHS, 3 BEDROOMS, AVE KITCHEN, LARGE UPPER DECK WITH EXPANSIVE MARINA AND RIVER VIEWS. THERE IS COMMON PARKING IN FRONT FOR THE UNITS AND DOCK SLIP OWNERS.

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) C4; No updates in the prior 15 years; THE SUBJECT APPEARED TO BE IN AVERAGE OVERALL CONDITION AT THE TIME OF INSPECTION. THIS APPRAISAL IS DONE "SUBJECT TO" THE UNIT HAVING ITS OWN SEPARATE ELECTRICAL METER AND CAN LEGALLY BE SOLD OFF AS A SEPARATE CONDO UNIT. THE APPRAISER ASSUMES THAT THE IMPROVEMENTS ARE STRUCTURALLY SOUND AND THAT ALL MECHANICAL SYSTEMS ARE IN NORMAL WORKING ORDER.

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? Yes No If Yes, describe

THERE ARE NO KNOWN OR APPARENT ADVERSE ENVIRONMENTAL CONDITIONS THAT WOULD NEGATIVELY IMPACT THE VALUE OR MARKETABILITY OF THE SUBJECT PROPERTY.

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? Yes No If No, describe

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain

P R O J E C T S A L E H I S T O R Y

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) MLS & PUBLIC RECORDS

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) MLS & PUBLIC RECORDS

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE #1	COMPARABLE SALE #2	COMPARABLE SALE #3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	MLS & PUBLIC RECORDS	MLS & PUBLIC RECORDS	MLS & PUBLIC RECORDS	MLS & PUBLIC RECORDS
Effective Date of Data Source(s)	12/03/2019	12/03/2019	12/03/2019	12/03/2019

Analysis of prior sale or transfer history of the subject property and comparable sales THE SUBJECT LAST TRANSFERRED IN 5/20/2016 FOR \$210,000. IT INCLUDED THE ENTIRE BUILDING 1A AND 1B - 2 UNITS PLUS 2 DOCK SLIPS, UNIT 1-A AND 1-B - OLD MARINA STORE BUILDING COMMONLY KNOWN AS). IT APPEARS TO HAVE BEEN A LENDER OWNED SALE TO THE CURRENT OWNER. THE SUBJECT UNIT - 1-B IS THE UPSTAIRS RESD. 3 BR 2 BA CONDO UNIT. IT IS NOTED THAT AT SOME POINT IT WAS EXPANDED FROM 634 SF TO THE CURRENT SIZE OF 1303 SF. THE FIRST FLOOR UNIT 1-A WAS AN OLD SHIP STORE FOR THE MARINA. IT APPEARS TO HAVE BEEN CLOSED FOR MORE THAN 5 YEARS AND IS BEING USED AS THE CURRENT OWNERS REC. ROOM AND OFFICE. THERE IS NO INTERIOR STAIR CASE BETWEEN THE TWO UNITS. *** See Additional Comments ***

Individual Condominium Unit Appraisal Report

File # 19-633T

There are 7 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 309,900 to \$ 804,990				
There are 9 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 226,000 to \$ 410,000				
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3
Address and Unit #	UNIT 1-B MARINERS CAY DRIVE 1-B, FOLLY BEACH, SC 29439	90 MARINERS CAY DRIVE 90, FOLLY BEACH, SC 29439	117 MARINERS CAY DRIVE 117, FOLLY BEACH, SC 29439	93 MARINERS CAY DRIVE 93, FOLLY BEACH, SC 29439
Project Name and Phase	MARINERS CAY	MARINERS CAY	MARINERS CAY	MARINERS CAY
Proximity to Subject		0.03 miles N	0.09 miles NW	0.03 miles N
Sale Price	\$	\$ 410,000	\$ 400,000	\$ 400,000
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ 368.37 sq. ft.	\$ 329.49 sq. ft.	\$ 363.64 sq. ft.
Data Source(s)		CTAR MLS #19008234;DOM 12	CTAR MLS #19004102;DOM 182	CTAR MLS #18000702;DOM 16
Verification Source(s)		PUBLIC RECORDS CAROLINA ONE	PUBLIC RECORDS CAROLINA ONE	PUBLIC RECORDS TRADEMARK
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
		+() \$ Adjustment	+() \$ Adjustment	+() \$ Adjustment
Sale or Financing		ArmLth	ArmLth	ArmLth
Concessions		Conv;0	Cash;0	Conv;0
Date of Sale/Time		s06/19;c04/19	s08/19;c08/19	s02/18;c01/18
Location	N;MARINER'S CAY;	N;MARINER'S CAY;	N;MARINER'S CAY;	N;MARINER'S CAY;
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
HOA Mo. Assessment	394	502	0 630	0 502
Common Elements and Rec. Facilities	DOCK, CLB HSE, TENNIS, POOL	DOCK, CLB HSE, TENNIS, POOL	DOCK, CLB HSE, TENNIS, POOL	DOCK, CLB HSE, TENNIS, POOL
Floor Location	2	2	0 2	0 2
View	B;FOLLY RIVER;MARINERS CAY	B;FOLLY RIVER;VG VW	B;FOLLY RIVER;VG VW	B;FOLLY RIVER;VG VW
		-20,000	-20,000	-20,000
Design (Style)	O1L;2 STRY BLD.	O1L;2 STRY BLD.	O1L;2 STRY BLD.	O1L;2 STRY BLD.
Quality of Construction	Q4 AVERAGE	Q4 AVERAGE	Q4 AVERAGE	Q4 AVERAGE
Actual Age	39	39	35	0 39
Condition	C4 AVERAGE	C3 GOOD	C4 AVERAGE +	C4 AVERAGE
		-10,000	-5,000	
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count	5 3 2.0	5 3 2.0	5 3 2.0	5 3 2.0
Gross Living Area	1,303 sq. ft.	1,113 sq. ft.	+16,150 1,214 sq. ft.	+7,565 1,100 sq. ft.
Basement & Finished Rooms Below Grade	0sf	0sf	0sf	0sf
Functional Utility	AVERAGE	AVERAGE	AVERAGE	AVERAGE
Heating/Cooling	CENTRAL H&A	CENTRAL H&A	CENTRAL H&A	CENTRAL H&A
Energy Efficient Items	INSULATION	INSULATION	INSULATION	INSULATION
Garage/Carport	2op	2op	2op	2op
Porch/Patio/Deck	LG DECK	SCRN PORCH	0 SCRN PORCH	0 SCRN PORCH
KITCHEN	AVE KITCHEN	GD KITCHEN	-5,000 AVE KITCHEN	AVE KITCHEN
FIREPLACE	NONE	NONE	NONE	NONE
OTHER	NONE	NONE	NONE	NONE
Net Adjustment (Total)				
		+ X - \$ -18,850	+ X - \$ -17,435	+ X - \$ -2,745
Adjusted Sale Price		Net Adj. 4.60%	Net Adj. 4.36%	Net Adj. 0.69%
Of Comparables		Gross Adj. 12.48% \$ 391,150	Gross Adj. 8.14% \$ 382,565	Gross Adj. 9.31% \$ 397,255
Summary of Sales Comparison Approach THE FOUR SALES & ONE LISTING ARE THE MOST RECENT MARKET TRANSACTIONS TO OCCUR NEAR THE SUBJECT THAT WERE SIMILAR IN DESIGN & MARKET APPEAL. AFTER DUE CONSIDERATION, EQUAL EMPHASIS WAS GIVEN TO ALL FIVE COMPARABLES. THE APPRAISER IS AWARE OF FNMA GUIDELINES PERTAINING TO AGE OF SALE, DISTANCE, & NET/GROSS ADJUSTMENT CRITERIA. THE SALES USED ARE THE BEST COMPARABLES AVAILABLE AND ARE CONSIDERED VALID SALES FOR COMPARISON. COMP 3 IS LISTED FOR \$575,000 IN TOTALLY RENOVATED CONDITION. COMPS 1-3 ARE LOCATED IN THE "SUNSET" BUILDING THAT HAS SLIGHTLY SUPERIOR LONG VIEWS DOWN THE RIVER AND SUNSETS.				
Indicated Value by Sales Comparison Approach \$ 385,000				
INCOME APPROACH TO VALUE (not required by Fannie Mae)				
Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ 0 Indicated Value by Income Approach NOT APPLICABLE				
Summary of Income Approach (including support for market rent and GRM) UNITS LIKE THE SUBJECT ARE NOT TYPICALLY PURCHASED FOR THEIR INCOME POTENTIAL. FURTHERMORE, UNITS THAT ARE RENT ARE USUALLY RENTED AS WEEKLY VACATION RENTALS AND NOT RENTED ON A MONTHLY BASIS. THEREFORE, IT IS OUR OPINION THAT THE INCOME APPROACH IS NOT APPLICABLE FOR THE SUBJECT PROPERTY.				
Indicated Value by: Sales Comparison Approach \$ 385,000 Income Approach (if developed) \$ 0				
THE MARKET APPROACH TO VALUE IS THE BEST INDICATOR OF MARKET VALUE FOR UNITS SIMILAR TO THE SUBJECT BECAUSE IT BEST REFLECTS THE ACTIONS OF BUYERS AND SELLERS IN THE MARKET PLACE. THE COST APPROACH WAS NOT APPROPRIATE FOR THIS TYPE OF INDIVIDUAL CONDOMINIUM UNIT. THE INCOME APPROACH WAS NOT CONSIDERED APPROPRIATE AS UNITS OF THIS TYPE ARE NOT TYPICALLY VALUED BASED ON THEIR INCOME POTENTIAL. THIS APPRAISAL REPRESENTS THE INDIVIDUAL RETAIL VALUE FOR THE SUBJECT UNIT. THIS APPRAISAL IS DONE IN "AS IS" CONDITION AND ASSUMES THAT THE SUBJECT IS STRUCTURALLY SOUND AND MECHANICAL SYSTEMS ARE IN NORMAL WORKING ORDER. IT IS UNDERSTOOD THAT THE FUNCTION OF THE REPORT IS FOR LEGAL PURPOSES.				
This appraisal is made <input type="checkbox"/> "as is", <input checked="" type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair.				
THIS APPRAISAL ASSUMES THE UNIT HAS A SEPARATE ELECTRICAL METER AND CAN BE SOLD OFF AS A SEPARATE CONDO UNIT LEGALLY WITHIN THE REGIME. Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 385,000, as of 10/29/2019, which is the date of inspection and the effective date of this appraisal.				

**Additional Comparables
Individual Condominium Unit Appraisal Report**

SUBJECT
 Borrower or Owner: OWNER: MARINERS CAY MARINA CONDO LLC
 File No. 19-633T
 Property Address: UNIT 1-B MARINERS CAY DRIVE, #1-B
 City: FOLLY BEACH County: CHARLESTON State: SC Zip Code: 29439
 Lender or Client: CLIENT: BUIST BYARS & TAYLOR LLC

FEATURE	SUBJECT	COMPARABLE SALE # 4		COMPARABLE SALE # 5		COMPARABLE SALE # 6	
Address and Unit #	UNIT 1-B MARINERS CAY DRIVE 1-B, FOLLY BEACH, SC 29439	26 MARINERS CAY DRIVE 26, FOLLY BEACH, SC 29439		69 MARINERS CAY DRIVE 69, FOLLY BEACH, SC 29439			
Projed Name and Phase	MARINERS CAY	MARINERS CAY		MARINERS CAY			
Proximity to Subject		0.03 miles N		0.03 miles N			
Sale Price		\$ 385,000		\$ 399,000			
Sale Price/Gross Liv. Area		\$ 259.43 sq. ft.		\$ 284.19 sq. ft.		\$	
Data Source(s)		CTAR MLS #1900669;DOM 97		CTAR MLS #19028324;DOM 58			
Verification Source(s)		PUBLIC RECORDS AVOCET PROP		PUBLIC RECORDS AVOCET PROP			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing		ArmLth		Listing			
Concessions		Conv;4000	-4,000	Conv;0	-10,000		
Date of Sale/Time		07/19;c06/19		Active			
Location	N;MARINER'S CAY;	N;MARINER'S CAY;		N;MARINER'S CAY;			
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple			
HOA Mo. Assessment	394	627		690	0		
Common Elements and Rec. Facilities	DOCK, CLB HSE, TENNIS, POOL	DOCK, CLB HSE, TENNIS, POOL		DOCK, CLB HSE, TENNIS, POOL			
Floor Location	2			02			
View	B;FOLLY RIVER;MARINA	B;FOLLY RIVER;MARINA		B;FOLLY RIVER;MARINA			
Design (Style)	O1L;2 STRY BLD.	O1L;2 STRY BLD.		O1L;2 STRY BLD.			
Quality of Construction	Q4 AVERAGE	Q4 AVERAGE		Q4 AVERAGE	0		
Actual Age	39	37		37			
Condition	C4 AVERAGE	C4 AVERAGE -	+10,000	C4 AVERAGE +	-5,000		
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths			
Room Count	5 3 2.0	5 3 2.0		5 2 2.1			
Gross Living Area	1,303 sq. ft.	1,484 sq. ft.			-3,000		
Basement & Finished Rooms Below Grade	0sf	0sf		0sf	-8,585		
Functional Utility	AVERAGE	AVERAGE		AVERAGE			
Heating/Cooling	CENTRAL H&A	CENTRAL H&A		CENTRAL H&A			
Energy Efficient Items	INSULATION	INSULATION		INSULATION			
Garage/Carport	2op	2op		2op			
Porch/Patio/Deck	LG DECK	SCRN PORCH		0 NONE	+15,000		
KITCHEN	AVE KITCHEN	AVE KITCHEN		AVE KITCHEN			
FIREPLACE	NONE	FP		NONE			
OTHER	NONE	NONE	-3,000	NONE			
Net Adjustment (Total)							
Adjusted Sale Price			\$ -12,385		\$ -11,585		
Of Comparables		Net Adj. 3.22% Gross Adj. 8.41%	\$ 372,615	Net Adj. 2.90% Gross Adj. 10.42%	\$ 387,415		

ITEM	SUBJECT	COMPARABLE SALE #4	COMPARABLE SALE #5	COMPARABLE SALE #6
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)	MLS & PUBLIC RECORDS	MLS & PUBLIC RECORDS	MLS & PUBLIC RECORDS	
Effective Date of Data Source(s)	12/03/2019	12/03/2019	12/03/2019	
Summary of Sales Comparison Approach				

ROA 2802
BBT 1219.0019

Mariners Cay
UAD Ver 9/2011

ADDITIONAL COMMENTS

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

Lender or Client CLIENT: BUJST BYARS & TAYLOR LLC

NEIGHBORHOOD DESCRIPTION

ADJACENT CONDO DEVELOPMENTS ARE LITTLE OAK ISLAND, MARSH WINDS, TURN OF THE RIVER, AND MARSH VIEW VILLAGE. FOLLY BEACH IS A BEACH FRONT COMMUNITY LOCATED APPROXIMATELY 10 MILES SOUTH OF PENINSULAR CHARLESTON. HOMES ON FOLLY BEACH VARY SUBSTANTIALLY IN SIZE AND QUALITY OF CONSTRUCTION. TYPICALLY THE HIGHER PRICED HOMES ARE FOUND OVERLOOKING THE OCEAN OR FOLLY RIVER. THERE IS A SMALL COMMERCIAL AREA LOCATED ON THE ISLAND WHICH PROVIDES THE RESIDENTS WITH THEIR BASIC SHOPPING NEEDS. THERE IS A COUNTY PARK ON BOTH ENDS OF THE ISLAND. THERE IS A COUNTY FISHING PIER ON THE OCEAN AND A BOAT LANDING ON THE FOLLY RIVER.

MARKET CONDITIONS

APPEAL FOR THE AREA IS CONSIDERED TO BE GOOD. DATA IS FOR ALL CONDOS IN MLS AREA #22, WHICH IS ALL OF FOLLY BEACH AND OUTER JAMES ISLAND. PRICE RANGE: \$200,000 - \$500,000.

Exposure time is a "retrospective" opinion, looking back (from the effective date) to the beginning of the "hypothetical" process of selling the asset, so that the sale would have been consummated on the "effective date" of appraisal. Marketing time is a "forward looking" estimate (from the effective date), to estimate the amount of time it might take a seller (sometimes the Intended User of the appraisal), to market and sell the asset.

Based on our analysis of the subject market and recent comparable sales data, exposure time for the subject property is estimated to be approximately three to six months prior to the date of this appraisal. This estimate is supported by the most recent sales of similar single-family residential properties in the subject market.

Based on our analysis of the subject property, current market conditions, as well as discussions with knowledgeable market participants, it is our conclusion that the subject property could be successfully sold in a period of three to six months or less, if properly and professionally marketed at the estimated market value. Market conditions have been improving over the past year, as the market appears to be in a stage of recovery. Therefore, the estimated marketing time for the subject property is approximately six months or less.

ADVERSE SITE CONDITIONS / EXTERNAL FACTORS

THE SUBJECT IS A 2ND STORY (TOP FLOOR) UNIT THAT IS LOCATED OVERLOOKING THE MARINERS CAY MARINA ON THE FOLLY RIVER. THERE IS COMMON LOT PARKING IN FRONT.

MANAGEMENT / DEVELOPER INFORMATION

THE SUBJECT IS PART OF THE DOCK OWNERS REGIME.

ANALYSIS OF SALE/TRANSFER HISTORY

THERE IS CURRENTLY ON ONE ELECTRIC METER FOR THE BUILDING HOWEVER IT IS LEGALLY 2 CONDO UNITS WITH 2 TAX MAP NUMBERS AS WELL AS TWO LEGAL DESCRIPTIONS.

REQUIRED REPAIRS / INSPECTIONS

THIS APPRAISAL ASSUMES THE SUBJECT IS STRUCTURALLY SOUND AND MECH. SYSTEMS ARE IN NORMAL WORKING ORDER. THIS APPRAISAL GIVES NO VALUE TO THE DOCKS OR PUMPS ASSOCIATED WITH THE BUILDING. THIS APPRAISAL IS ONLY FOR THE 3 BR 2 BA CONDO UNIT 1B UPSTAIRS.

BCA 280319
Mariners Cay

704

CHARLESTON AREA APPRAISALS

This report form is designed to report an appraisal of a unit in a condominium project or a condominium unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject unit, (2) inspect and analyze the condominium project, (3) inspect the neighborhood, (4) inspect each of the comparable sales from at least the street, (5) research, verify, and analyze data from reliable public and/or private sources, and (6) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

BOA 2804
BPT 19
Mariners Cay

APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.

BOA-280519

Individual Condominium Unit Appraisal Report

File # 19-633T

21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

- 1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature [Handwritten Signature]
Name Harold O. Mathisen III
Company Name CHARLESTON AREA APPRAISALS
Company Address 246 Mathis Ferry Road, Suite 200
MT PLEASANT, SC 29464
Telephone Number 843-577-5859
Email Address trev@charlestonareaappraisals.com
Date of Signature and Report 12/09/2019
Effective Date of Appraisal 10/29/2019
State Certification # 739
or State License #
or Other State #
State SC
Expiration Date of Certification or License 06/30/2020
ADDRESS OF PROPERTY APPRAISED
UNIT 1-B MARINERS CAY DRIVE
1-B, FOLLY BEACH, SC 29439
APPRAISED VALUE OF SUBJECT PROPERTY \$ 385,000
LENDER/CLIENT
Name No AMC
Company Name CLIENT: BUJST BYARS & TAYLOR LLC
Company Address 652 COLEMAN BLVD. STE 200, MT. PLEASANT, S.C. 29464
Email Address

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature
Name
Company Name
Company Address
Telephone Number
Email Address
Date of Signature
State Certification #
or State License #
State
Expiration Date of Certification or License

SUBJECT PROPERTY

Did not inspect subject property
Did inspect exterior of subject property from street
Date of Inspection
Did inspect interior and exterior of subject property
Date of Inspection

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
Did inspect exterior of comparable sales from street
Date of Inspection

USPAP Compliance Addendum

File No. 19-633T

Borrower/Client OWNER: MARINERS CAY MARINA CONDO LLC			
Property Address UNIT 1-B MARINERS CAY DRIVE			
City FOLLY BEACH	County CHARLESTON	State SC	Zip Code 29439
Lender/Client CLIENT: BUIST BYARS & TAYLOR LLC			

APPRAISAL AND REPORT IDENTIFICATION

This Appraisal Report is one of the following types:

- Appraisal Report** This report was prepared in accordance with the requirements of the Appraisal Report option of USPAP Standards Rule 2-2(a).
- Restricted Appraisal Report** This report was prepared in accordance with the requirements of the Restricted Appraisal Report option of USPAP Standards Rule 2-2(b). The intended user of this report is limited to the identified client. This is a Restricted Appraisal Report and the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without the additional information in the appraiser's workfile.

ADDITIONAL CERTIFICATIONS

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The report analyses, opinions, and conclusions are limited only by the reported assumptions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or specified) personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- This appraisal report was prepared in accordance with the requirements of Title XI of FIRREA and any implementing regulations.

PRIOR SERVICES

- I have **NOT** performed services, as an appraiser or in any other capacity, regarding the property that is the subject of the report within the three-year period immediately preceding acceptance of this assignment.
- I **HAVE** performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

PROPERTY INSPECTION

- I have **NOT** made a personal inspection of the property that is the subject of this report.
- I **HAVE** made a personal inspection of the property that is the subject of this report.

APPRAISAL ASSISTANCE

Unless otherwise noted, no one provided significant real property appraisal assistance to the person signing this certification. If anyone did provide significant assistance, they are hereby identified along with a summary of the extent of the assistance provided in the report.

ADDITIONAL COMMENTS


Additional USPAP related issues requiring disclosure and/or any state mandated requirements:

MARKETING TIME AND EXPOSURE TIME FOR THE SUBJECT PROPERTY

- A reasonable marketing time for the subject property is 60-90 day(s) utilizing market conditions pertinent to the appraisal assignment.
- A reasonable exposure time for the subject property is 60-90 day(s).

APPRAISER

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature  Name <u>Harold O. Mathisen III</u> Date of Signature <u>12/09/2019</u> State Certification # <u>739</u> or State License # _____ State <u>SC</u> Expiration Date of Certification or License <u>06/30/2020</u>	Signature _____ Name _____ Date of Signature _____ State Certification # _____ or State License # _____ State _____ Expiration Date of Certification or License _____ Supervisory Appraiser Inspection of Subject Property: <input type="checkbox"/> Did Not <input type="checkbox"/> Exterior-only from Street <input type="checkbox"/> Interior and Exterior
Effective Date of Appraisal <u>10/29/2019</u>	

SKETCH ADDENDUM

Borrower or Owner **OWNER: MARINERS CAY MARINA CONDO LLC**

Property Address **UNIT 1-B MARINERS CAY DRIVE**

City **FOLLY BEACH** County **CHARLESTON** State **SC** Zip Code **29439**

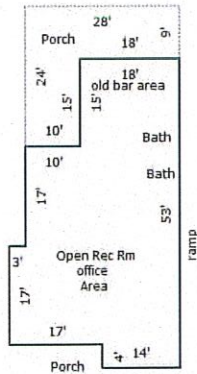
Client **CLIENT: BUIST BYARS & TAYLOR LLC**

IMPROVEMENTS SKETCH

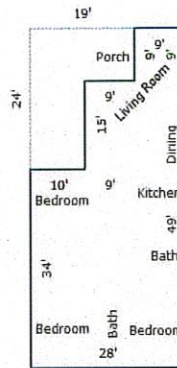
First Floor

Second Floor

Proposed renovation into a similar 3 br unit As above



First Floor
Old Store unit



Second Floor
3 br condo
Unit

BOA-2808
BYA-249019
Mariners Cay

SKETCH ADDENDUM

Borrower or Owner **OWNER: MARINERS CAY MARINA CONDO LLC**
 Property Address **UNIT 1-B MARINERS CAY DRIVE**
 City **FOLLY BEACH** County **CHARLESTON** State **SC** Zip Code **29439**
 Client **CLIENT: BUJST BYARS & TAYLOR LLC**

Scale 1 = 25

AREA CALCULATIONS

AREA CALCULATIONS SUMMARY			
Code	Description	Net Size	Net Totals
GLA1	First Floor	1329.0	1329.0
GLA2	Second Floor	1303.0	1303.0
P/P	Porch	321.0	
	Porch	402.0	723.0
Net LIVABLE Area		(rounded)	2632

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
31.0 x	17.0	527.0
4.0 x	14.0	56.0
15.0 x	18.0	270.0
17.0 x	28.0	476.0
Second Floor		
28.0 x	34.0	952.0
9.0 x	9.0	81.0
15.0 x	18.0	270.0
7 Items	(rounded)	2632

PHOTOGRAPH ADDENDUM

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC



FRONT VIEW OF
SUBJECT PROPERTY



REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE OF
SUBJECT PROPERTY

BOA 2810
Mariners Cay
711

PHOTOGRAPH ADDENDUM

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC



UNIT 1-B MARINERS CAY DRIVE
SIDE -LEFT NOTE: ONE METER FOR BUILDING



UNIT 1-B MARINERS CAY DRIVE
RT SIDE



UNIT 1-B MARINERS CAY DRIVE
VIEW

BOA 2811g
Mariners Cay
712

PHOTOGRAPH ADDENDUM

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

City FOLLY BEACH

County CHARLESTON

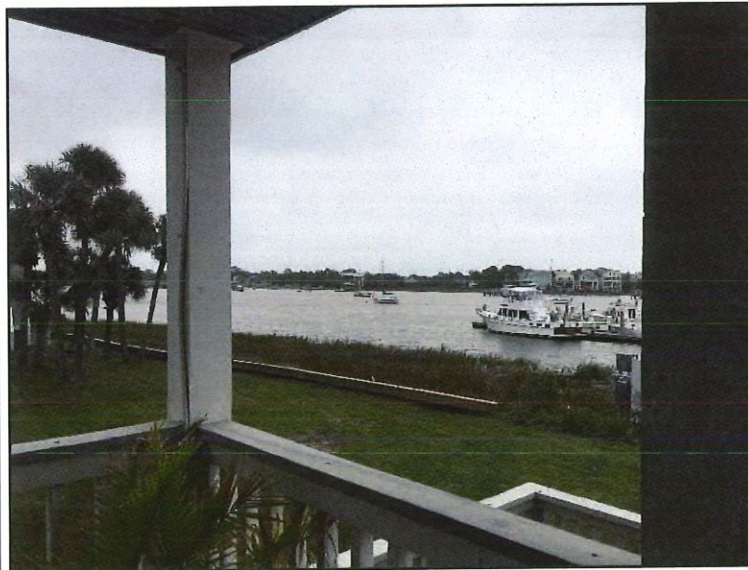
State SC

Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC



UNIT 1-B MARINERS CAY DRIVE
REAR VIEW 2



UNIT 1-B MARINERS CAY DRIVE
VIEW 2



UNIT 1-B MARINERS CAY DRIVE
BEDROOM UP STAIR UNIT

ROA 2812
BBT 1219.00
Mariners Cay
713

PHOTOGRAPH ADDENDUM

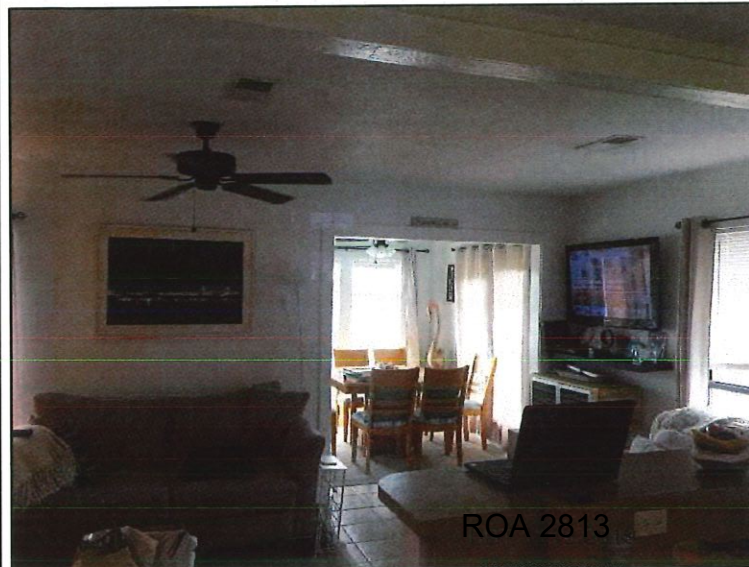
Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC
Property Address UNIT 1-B MARINERS CAY DRIVE
City FOLLY BEACH County CHARLESTON State SC Zip Code 29439
Client CLIENT: BUIST BYARS & TAYLOR LLC



UNIT 1-B MARINERS CAY DRIVE
BATH UP



UNIT 1-B MARINERS CAY DRIVE
KITCHEN UP



UNIT 1-B MARINERS CAY DRIVE
LIVING ROOM UPSTAIRS

ROA 2813
Mariners Cay
714

PHOTOGRAPH ADDENDUM

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

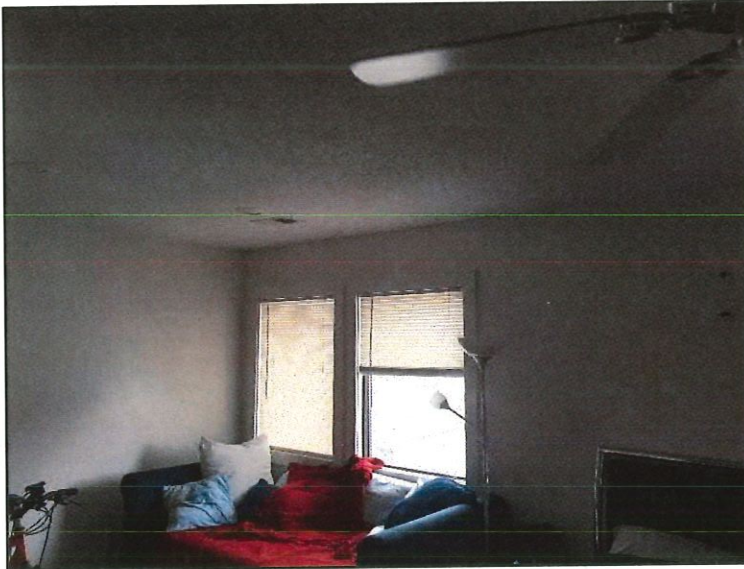
City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC



UNIT 1-B MARINERS CAY DRIVE

BR 2
UP



UNIT 1-B MARINERS CAY DRIVE

BATH 2 UP

BOA 2814
BB 12-19-0019
Mariners Cay
715

FLOOD MAP

Borrower or Owner **OWNER: MARINERS CAY MARINA CONDO LLC**
 Property Address **UNIT 1-B MARINERS CAY DRIVE**
 City **FOLLY BEACH** County **CHARLESTON** State **SC** Zip Code **29439**
 Client **CLIENT: BUIST BYARS & TAYLOR LLC**



Flood Zones

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year flood plains
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

Flood Zone Determination

Latitude: 32.661278
Longitude: -79.948237
Community Name:
 FOLLY BEACH, CITY OF
Community: 455415
SFHA (Flood Zone): Yes
Within 250 ft. of multiple flood zones: Yes
Zone: VE
Panel: 0687J
FIPS Code: 45019

Map #: 45019C0687J
Panel Date: 11/17/2004
Census Tract: 20.03

ROA 2815
 BBT 1219.0019
 Mariners Cay

This Report is for the sole benefit of the Customer that ordered and paid for the Report and is based on the property information provided by that Customer. That Customer's use of this Report is subject to the terms agreed to by that Customer when accessing this product. No third party is authorized to use or rely on this Report for any purpose. THE SELLER OF THIS REPORT MAKES NO REPRESENTATIONS OR WARRANTIES TO ANY PARTY CONCERNING THE CONTENT, ACCURACY OR COMPLETENESS OF THIS REPORT, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. The seller of this Report shall not have any liability to any third party for any use or misuse of this Report.

subject info

Borrower or Owner **OWNER: MARINERS CAY MARINA CONDO LLC**
 Property Address **UNIT 1-B MARINERS CAY DRIVE**
 City **FOLLY BEACH** County **CHARLESTON** State **SC** Zip Code **29439**
 Client **CLIENT: BUIST BYARS & TAYLOR LLC**

Tuesday, December 03, 2019



LOCATION
 Property Address **2 McDonough Rd Unit 1-B
 Folly Beach, SC 29439**
 Subdivision **Mariners Cay Marina**
 County **Charleston County, SC**

PROPERTY SUMMARY
 Property Type **Commercial**
 Land Use **Spclty-Recreation**
 Improvement Type **Multiple Res Senior Low Rise
 634**

GENERAL PARCEL INFORMATION
 Parcel ID/Tax ID **228-00-00-545**
 Alternate Parcel ID
 Account Number
 District/Ward **3-3**
 2018 Census Tract/Block **20 033**
 Assessor Roll Year **2018**

CURRENT OWNER
 Name **Mariners Cay Marina Condo LLC**
 Mailing Address **Po Box 309
 Folly Beach SC 29438-0309**

SALES HISTORY THROUGH 11/08/2019

Date	Amount	Buyer/Owners	Seller	Instrument	No. Parcels	Book/Page Or Document#
5/20/2016	\$210,000	Mariners Cay Marina Condo LLC			2	0668/511
7/7/2015	\$230,000	Emerald Portfolio LLC			2	0510/674
2/27/2009	\$9	Tiger River Capital LLC			2	0037/644
5/16/2006	\$9	Mariners Cay Marina			64	V583/654

TAX ASSESSMENT

Appraisal Year	Amount	Assessment Year	Amount	Jurisdiction	Rate
2018	\$130,000	2018	\$7,800	City Of Folly Beach	30.0
Appraised Land	\$36,000	Assessed Land	\$2,100	Charleston County	211.0
Appraised Improvements	\$96,000	Assessed Improvements	\$5,700		
Total Tax Appraisal	\$130,000	Total Assessment	\$7,800		
Assessment Rate	8.00%	Exempt Amount			
		Exempt Reason			

TAXES

Tax Year	City Taxes	County Taxes	Total Taxes
2018	\$294.42	\$340.44	\$1,922.82
2017	\$247.00	\$348.14	\$1,799.70
2016	\$278.85	\$385.81	\$1,906.11
2015	\$277.85	\$394.38	\$1,785.32
2014	\$253.68	\$348.49	\$1,720.54
2013	\$257.97	\$345.40	\$1,724.83

MORTGAGE HISTORY

No mortgages were found for this parcel.

PROPERTY CHARACTERISTICS, BUILDING

Building # 1
 Type **Multiple Res Senior Low Rise** Condition **Good** Units **1**
 Year Built **1980** Effective Year **1980** Stories **1**
 BRs Baths **F H** Rooms
 Total Sq. Ft. **834**
 Building Square Feet (Living Space) Building Square Feet (Other)

- CONSTRUCTION

Quality	Roof Framing
Shape	Roof Cover Deck
Partitions	Cabinet Millwork
Common Wall	Floor Finish
Foundation	Interior Finish
Floor System	Air Conditioning
Exterior Wall	Heat Type
Structural Framing	Bathroom Tile
Fireplace	Plumbing Fixtures
- OTHER	
Occupancy	Building Data Source

ROA 2816
 BBT 1219.0019
 Mariners Cay

SUBJECT INFO PG 2

Borrower or Owner **OWNER: MARINERS CAY MARINA CONDO LLC**
 Property Address **UNIT 1-B MARINERS CAY DRIVE**
 City **FOLLY BEACH** County **CHARLESTON** State **SC** Zip Code **29439**
 Client **CLIENT: BUIST BYARS & TAYLOR LLC**

Appraisal	Amount	Assessment	Amount	Jurisdiction	Rate
Appraisal Year	2018	Assessment Year	2018	City Of Folly Beach	36.8
Appraised Land	\$35,000	Assessed Land	\$2,100	Charleston County	211.0
Appraised Improvements	\$95,000	Assessed Improvements	\$5,700		
Total Tax Appraisal	\$130,000	Total Assessment	\$7,800		
Assessment Rate	0.00%	Exempt Amount			
		Exempt Reason			

TAXES			Total Taxes
Tax Year	City Taxes	County Taxes	
2018	\$264.42	\$342.44	\$1,022.82
2017	\$247.00	\$345.14	\$1,799.70
2016	\$278.95	\$355.81	\$1,606.11
2015	\$277.55	\$364.38	\$1,785.32
2014	\$253.66	\$345.49	\$1,720.54
2013	\$257.97	\$345.46	\$1,724.63

MORTGAGE HISTORY
 No mortgages were found for this parcel.

PROPERTY CHARACTERISTICS: BUILDING

Building # 1	Type	Multiple Res Senior Low Rise	Condition	Good	Units
	Year Built	1990	Effective Year	1990	Stories
	BRs		Baths	F H	Rooms
	Total Sq. Ft.	634			
	Building Square Feet (Living Space)			Building Square Feet (Other)	
- CONSTRUCTION					
Quality			Roof Framing		
Shape			Roof Cover Deck		
Partitions			Cabinet Millwork		
Common Wall			Floor Finish		
Foundation			Interior Finish		
Floor System			Air Conditioning		
Exterior Wall			Heat Type		
Structural Framing			Bathroom Tile		
Fireplace			Plumbing Fixtures		
- OTHER					
Occupancy			Building Data Source		

PROPERTY CHARACTERISTICS: EXTRA FEATURES

No extra features were found for this parcel.

PROPERTY CHARACTERISTICS: LOT

Land Use	Spoty-Recreation	Lot Dimensions
Block/Lot		Lot Square Feet
Latitude/Longitude	32.0612731;-79.9462337	Acres

PROPERTY CHARACTERISTICS: UTILITIES/AREA

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 Copyright © 2013, County of Charleston, South Carolina

Property Report for 2 MCDONOUGH RD UNIT 1-B. cont.

Gas Source	Road Type
Electric Source	Topography
Water Source	District Trend
Sewer Source	Special School District 1
Zoning Code	Special School District 2
Owner Type	

LEGAL DESCRIPTION

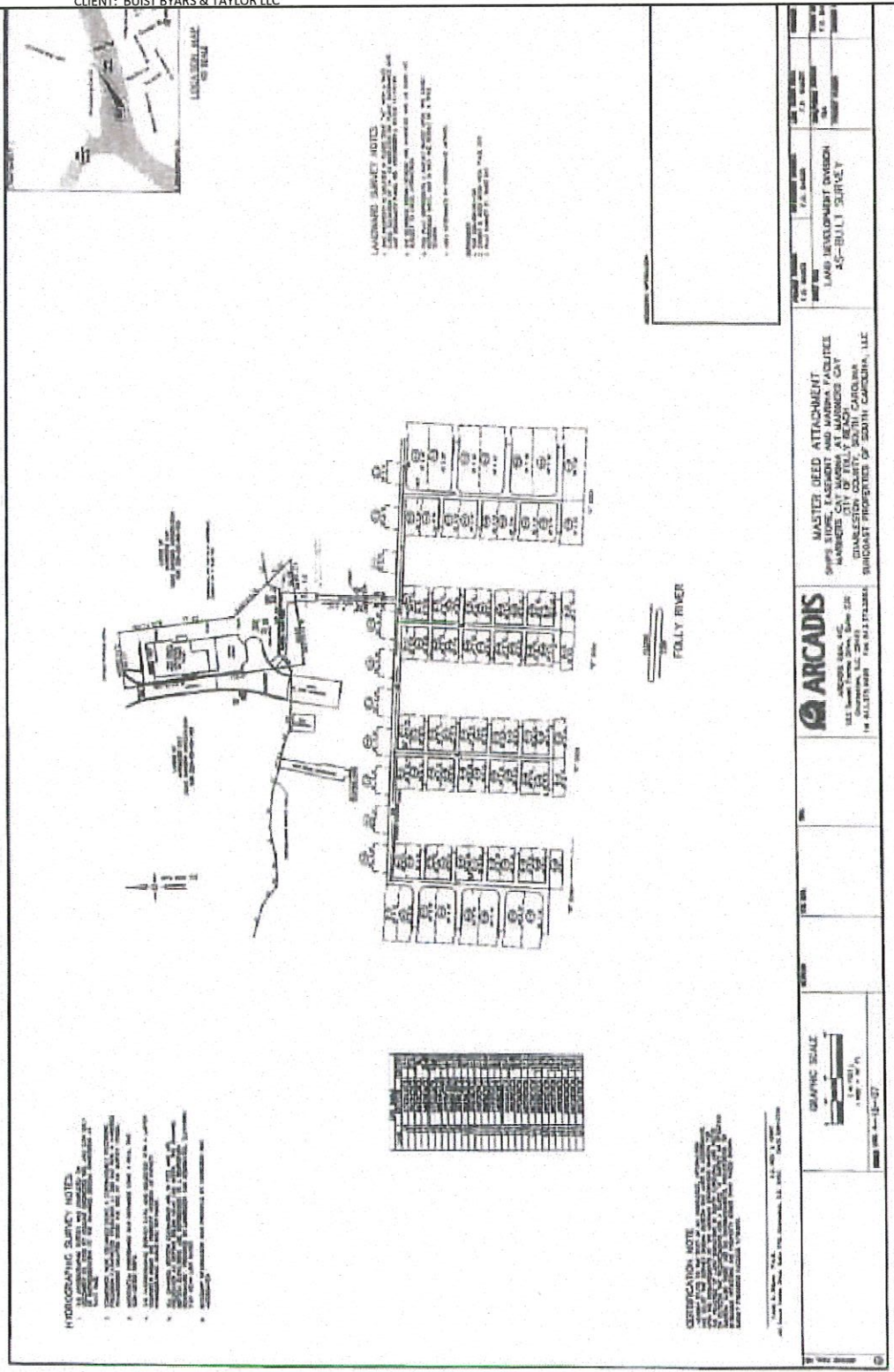
Subdivision	Manners Cay Marina	Plat Book/Page	
Block/Lot		District/Ward	3-3
Description	Unit 1-B		

FEMA FLOOD ZONES

LISTING ARCHIVE

No Listings found for this parcel.

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC
 Property Address UNIT 1-B MARINERS CAY DRIVE
 City FOLLY BEACH County CHARLESTON State SC Zip Code 29439
 Client CLIENT: BUIST BYARS & TAYLOR LLC



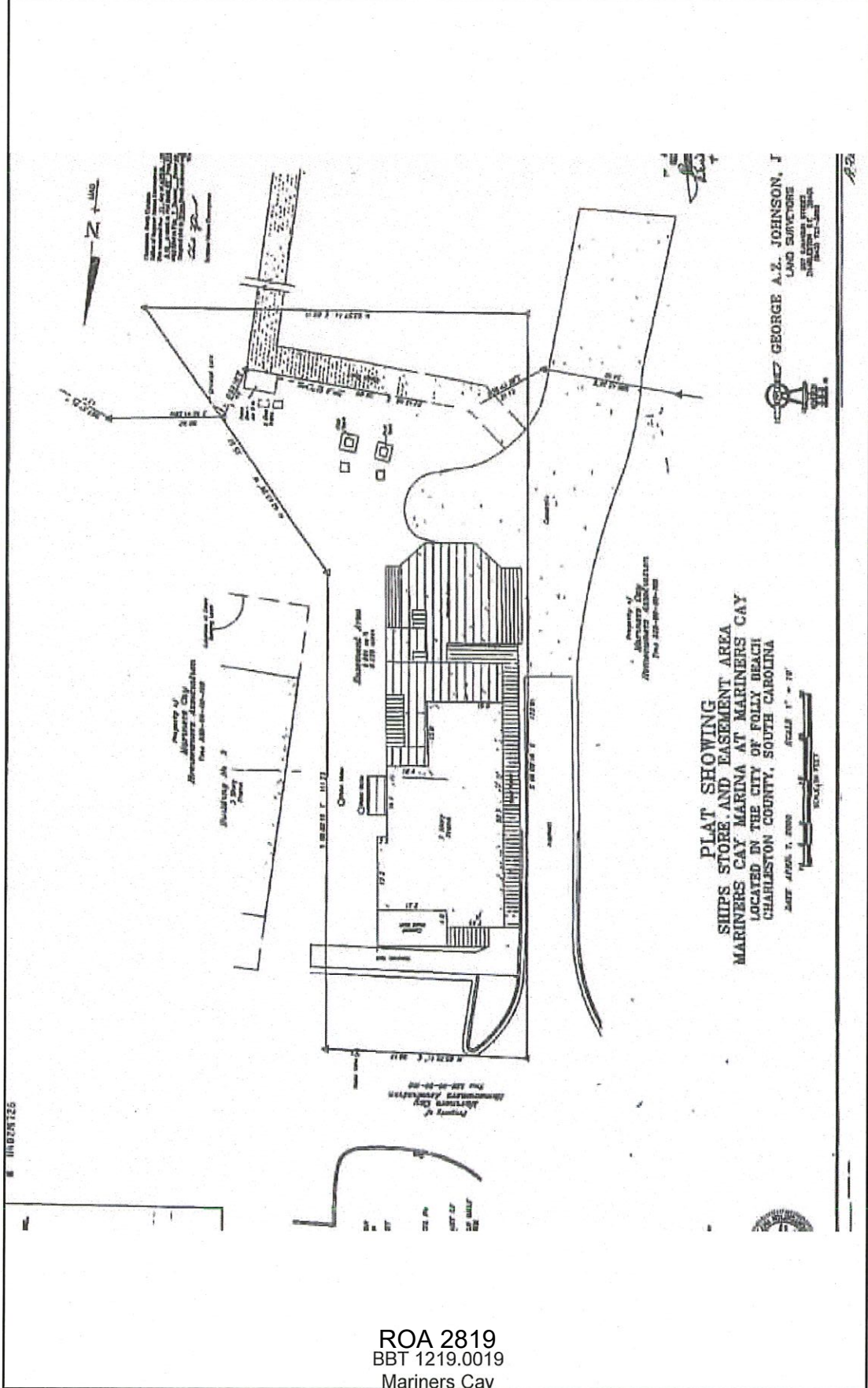
ROA 2818
 BBT 1219.0019
 Mariner's Cay

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

City FOLLY BEACH County CHARLESTON State SC Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC



ROA 2819
BBT 1219.0019
Mariners Cay

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC

CHAPTER 163: ZONING DISTRICTS xx

Page 3 of 4

retail uses are also appropriate. This district is intended to foster pedestrian access particularly along the beachfront, in order to minimize traffic impacts to surrounding residential areas. Short term rentals are allowed subject to the requirements of Chapter 117 of the city code of ordinances. Multi-family dwellings, accessory dwelling units, and intense commercial uses are prohibited. The minimum lot area for residential uses is 10,500 square feet and 5,250 square feet for all other uses. Duplex dwellings located upon a single lot may be detached structures. Detached units may be located on individual lots, provided the newly created lots extend no more than five feet from the exterior walls of the proposed structure. Lot coverage is limited to 35% of the lots high ground area.

(2) *District-specific standards.*

(a) Mixed-use structures in the IC District shall not include residential uses on the ground floor of the structure.

(b) Commercial uses on ground floor shall not be converted to a residential use.

(c) Nonconforming lots of record lawfully established on or before April 13, 1999 may be developed in accordance with the standards in § 168.04-01(C), Lots in the DC and IC Districts.

(d) All development in the IC District shall not exceed two stories or 40 feet above base flood elevation.

(C) *Marine Commercial (MC).* The MC District is established to recognize areas within the city where, due to proximity to navigable waterways, commercial marine related-activity takes place. A full range of marine-related uses (e.g., docks and marinas), major and minor utilities, and outdoor storage facilities are appropriate uses in addition to limited residential uses, institutional uses, and limited retail uses. Short term rentals are allowed subject to the requirements of Chapter 117 of the city code of ordinances. Applications to amend the official zoning map to establish or expand the MC District are prohibited.

(D) *Corridor Commercial (CC).* The CC District is established and intended to provide for a wide variety of general retail and high intensity residential and nonresidential uses located along the Folly Road corridor north of the Folly Creek Bridge, and to maintain scenic vistas along this corridor. The CC District is intended to accommodate the largest and most intense form of retail in the city (those uses greater than 10,000 square feet). Visitor-oriented services including hotels and indoor and

LICENSE / E&O



LIA Administrators & Insurance Services

**APPRAISAL AND VALUATION
PROFESSIONAL LIABILITY INSURANCE POLICY**


DECLARATIONS

ASPEN AMERICAN INSURANCE COMPANY
(A stock insurance company herein called the "Company")
175 Capitol Blvd, Suite 100
Rocky Hill, CT 06067

Date Issued	Policy Number	Previous Policy Number
04/24/2019	AA1008598-05	AA1008598-04

THIS IS A CLAIMS MADE AND REPORTED POLICY. COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND THEN REPORTED TO THE COMPANY IN WRITING NO LATER THAN SIXTY (60) DAYS AFTER EXPIRATION OR TERMINATION OF THIS POLICY, OR DURING THE EXTENDED REPORTING PERIOD, IF APPLICABLE, FOR A WRONGFUL ACT COMMITTED ON OR AFTER THE RETROACTIVE DATE AND BEFORE THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CAREFULLY.

Item

1. Customer ID: 154039 Named Insured: CHARLESTON AREA APPRAISALS, LLC. 246 Mathis Ferry Rd., Suite 200 Mount Pleasant, SC 29464	<div style="text-align: right; color: blue;">BCD125055+</div> <p style="text-align: center;">State of South Carolina Department of Labor, Licensing and Regulation Real Estate Appraisers Board HAROLD O MATHISEN III Is hereby entitled in practice as a: Certified Residential Appraiser License Number: 739 Expiration Date: 06/30/2010 POCKET CARD</p> <p style="text-align: right;"><i>Harold O. Mathisen III</i> Administrator</p>
2. Policy Period: From: 04/26/2019 To: 04/26/2020 12:01 A.M. Standard Time at the address stated in 1 above.	
3. Deductible: \$2,500 Each Claim	
4. Retroactive Date: 04/26/2005	
5. Inception Date: 04/26/2015	
6. Limits of Liability: A. \$1,000,000 Each Claim B. \$2,000,000 Aggregate	
7. Mail all notices, including notice of Claim, to: LIA Administrators & Insurance Services 1600 Annapa Street Santa Barbara, California 93101 (800) 334-0652; Fax: (805) 962-0652	
8. Annual Premium: \$5,425.00	

ROA 2822
BBT 1219.0019
Mariners Cay

731

PHOTOGRAPH ADDENDUM

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC



UNIT 1-B MARINERS CAY DRIVE
UNIT 1 A - OLD STORE 1ST FLOOR
DOWNSTAIRS



UNIT 1-B MARINERS CAY DRIVE
1 A INTERIOR - OFFICE AREA



UNIT 1-B MARINERS CAY DRIVE
1 A INTERIOR 2 - DOORS TO DECK

ROA 2823

Mariners Cay

716

PHOTOGRAPH ADDENDUM

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

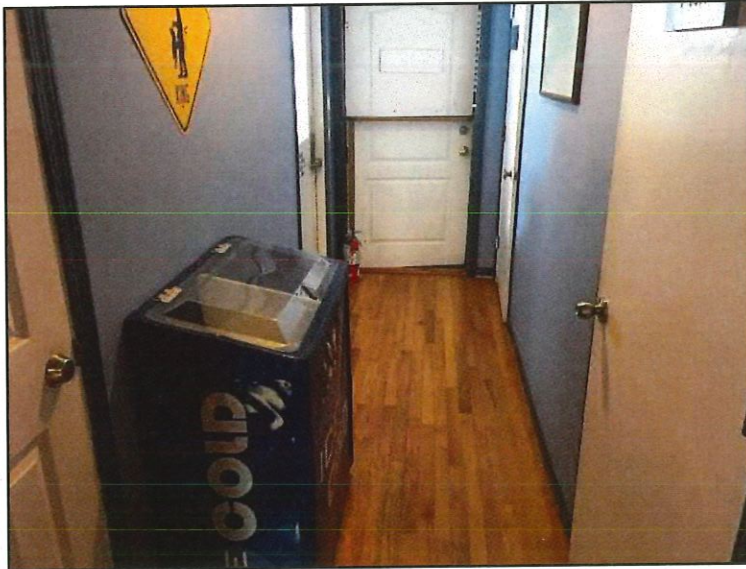
City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

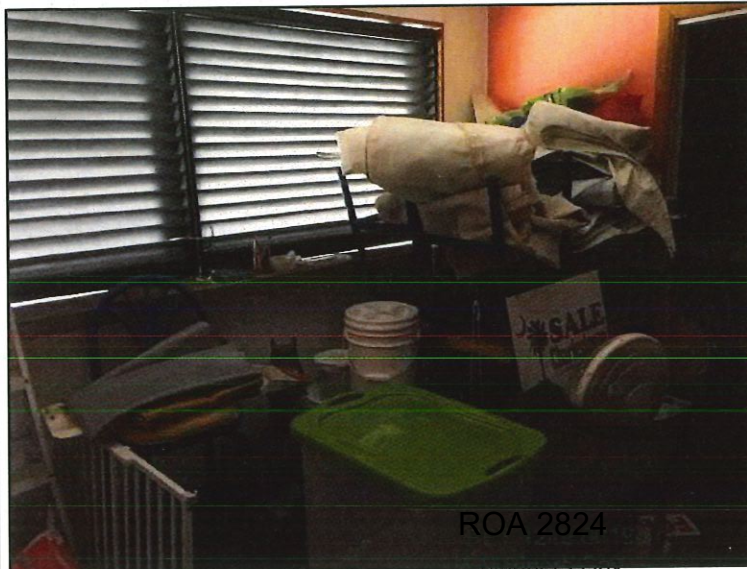
Client CLIENT: BUIST BYARS & TAYLOR LLC



UNIT 1-B MARINERS CAY DRIVE
1 A INTERIOR 3



UNIT 1-B MARINERS CAY DRIVE
1 A BATH



UNIT 1-B MARINERS CAY DRIVE
1 A INT. FRONT ROOM OLD BAR

ROA 2824

Mariners Cay
717

PHOTOGRAPH ADDENDUM

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC



UNIT 1-B MARINERS CAY DRIVE
1 A OLD LAUNDRY RM



UNIT 1-B MARINERS CAY DRIVE
1 A INT VIEW 2



UNIT 1-B MARINERS CAY DRIVE
UNDER BUILDING

PHOTOGRAPH ADDENDUM

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

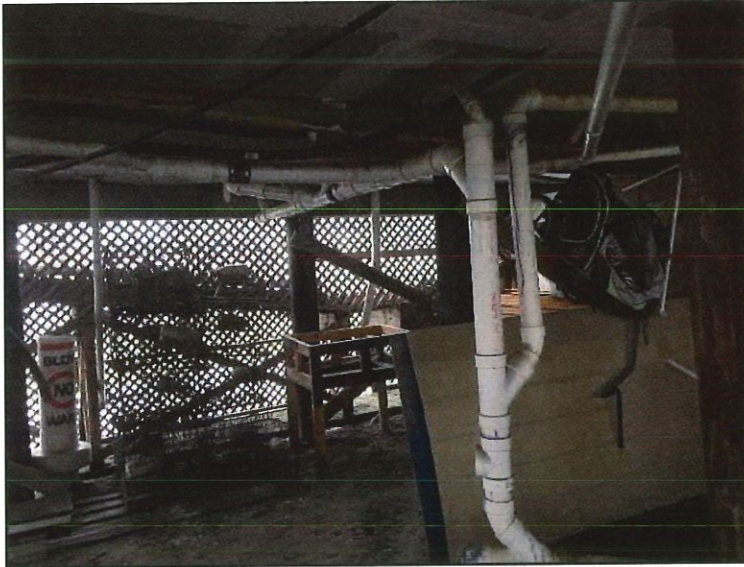
City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC



UNIT 1-B MARINERS CAY DRIVE
UNDER BLD VW 2



UNIT 1-B MARINERS CAY DRIVE
DECKS



UNIT 1-B MARINERS CAY DRIVE
ENTRY GATE

ROA 2826

Mariners Cay

719

PHOTOGRAPH ADDENDUM

Borrower or Owner **OWNER: MARINERS CAY MARINA CONDO LLC**
 Property Address **UNIT 1-B MARINERS CAY DRIVE**
 City **FOLLY BEACH** County **CHARLESTON** State **SC** Zip Code **29439**
 Client **CLIENT: BUIST BYARS & TAYLOR LLC**



COMPARABLE #1

90 MARINERS CAY DRIVE
 90, FOLLY BEACH, SC 29439

Price	\$410,000
Price/SF	368.37
Date	s06/19;c04/19
Age	39
Room Count	5-3-2.0
Living Area	1,113
Value Indication	\$391,150



COMPARABLE #2

117 MARINERS CAY DRIVE
 117, FOLLY BEACH, SC 29439

Price	\$400,000
Price/SF	329.49
Date	s08/19;c08/19
Age	35
Room Count	5-3-2.0
Living Area	1,214
Value Indication	\$382,565



COMPARABLE #3

93 MARINERS CAY DRIVE
 93, FOLLY BEACH, SC 29439

Price	\$400,000
Price/SF	363.64
Date	s02/18;c01/18
Age	39
Room Count	5-3-2.0
Living Area	1,100
Value Indication	\$397,255

BOA 2827
 BB 12190019
 Mariners Cay
 720

PHOTOGRAPH ADDENDUM

Borrower or Owner **OWNER: MARINERS CAY MARINA CONDO LLC**
 Property Address **UNIT 1-B MARINERS CAY DRIVE**
 City **FOLLY BEACH** County **CHARLESTON** State **SC** Zip Code **29439**
 Client **CLIENT: BUIST BYARS & TAYLOR LLC**



COMPARABLE #4

26 MARINERS CAY DRIVE
 26, FOLLY BEACH, SC 29439

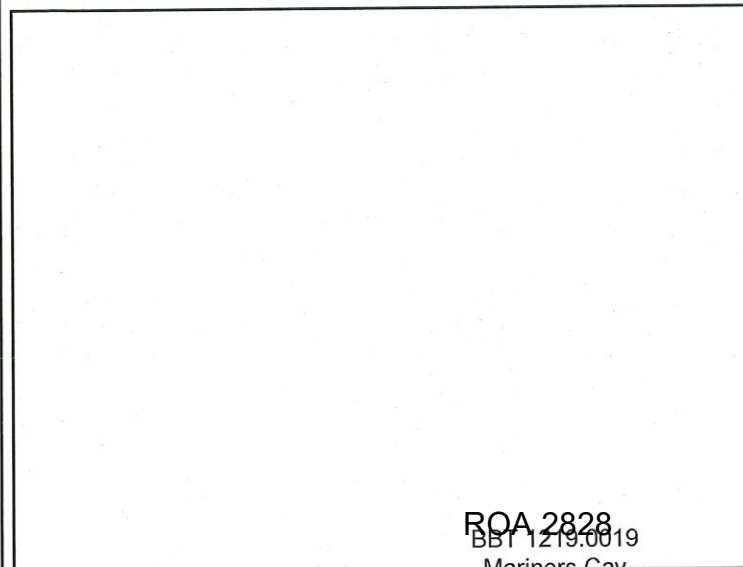
Price	\$385,000
Price/SF	259.43
Date	s07/19;c06/19
Age	37
Room Count	5-3-2.0
Living Area	1,484
Value Indication	\$372,615



COMPARABLE #5

69 MARINERS CAY DRIVE
 69, FOLLY BEACH, SC 29439

Price	\$399,000
Price/SF	284.19
Date	Active
Age	37
Room Count	5-2-2.1
Living Area	1,404
Value Indication	\$387,415



COMPARABLE #6

Price	\$
Price/SF	
Date	
Age	
Room Count	--
Living Area	
Value Indication	\$

ROA 2828
 BBT 1219.0019
 Mariners Cay
 721

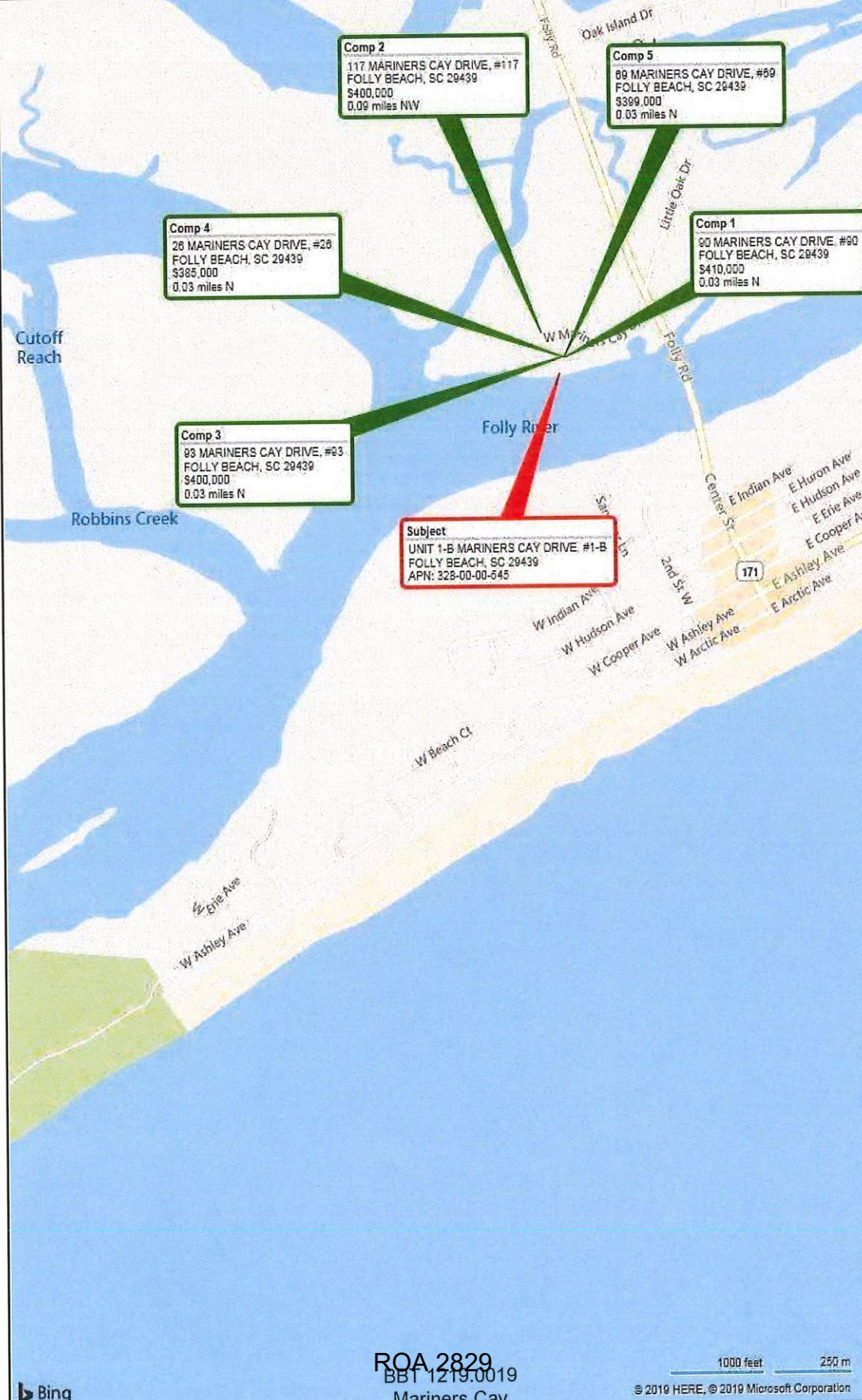
CRS PROPERTY REPORT

Borrower or Owner **OWNER: MARINERS CAY MARINA CONDO LLC**

Property Address **UNIT 1-B MARINERS CAY DRIVE**

City **FOLLY BEACH** County **CHARLESTON** State **SC** Zip Code **29439**

Client **CLIENT: BUIST BYARS & TAYLOR LLC**



ROA 2829
BBT 1219.0019
Mariners Cay

1000 feet 250 m
© 2019 HERE, © 2019 Microsoft Corporation

SITE PLAN

Borrower or Owner OWNER: MARINERS CAY MARINA CONDO LLC

Property Address UNIT 1-B MARINERS CAY DRIVE

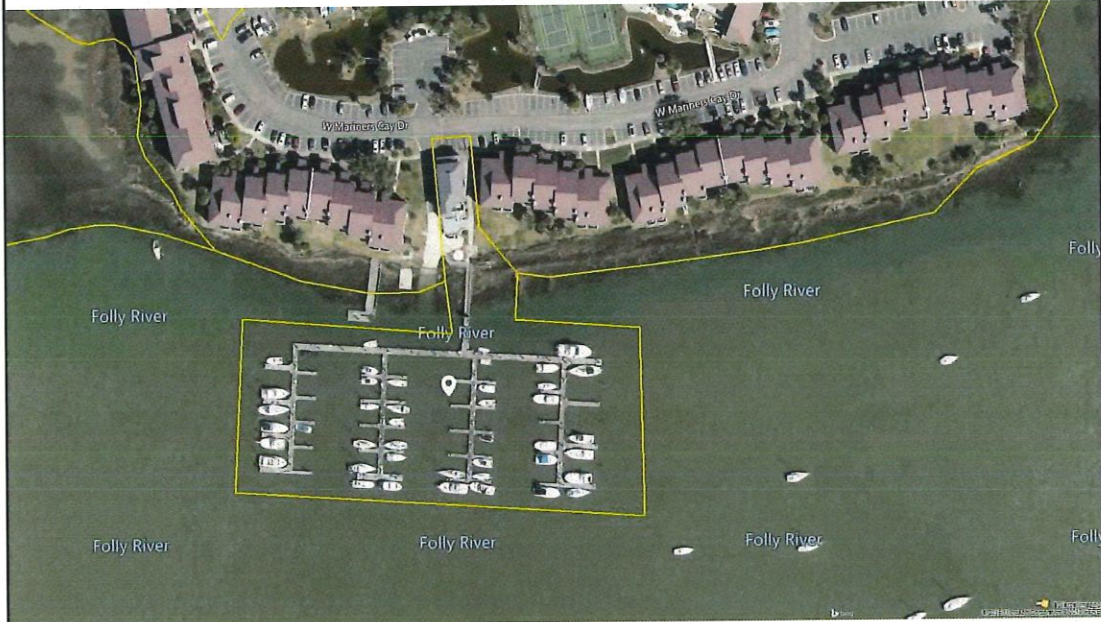
City FOLLY BEACH

County CHARLESTON

State SC

Zip Code 29439

Client CLIENT: BUIST BYARS & TAYLOR LLC



ROA 2830
BBT 1219.0019
Mariners Cay

723

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
) THE NINTH JUDICIAL CIRCUIT
COUNTY OF CHARLESTON) CASE NO.: 2017-CP-10-3099

Elizabeth Heatley, Neal B. McCann, Jr.,)
David Neil Monk, Thomas V. Bessent, and)
Mariners Cay Marina Council of Co-Owners,)
Inc.,)

Plaintiffs,)

vs.)

Mariners Cay Marina Condo, LLC and)
Mariners Cay Fuel Dock, LLC, George A.)
Farmer, Jr., and South Atlantic Bank,)

Defendants.)

NOTICE OF FILING

Please take notice that the Defendants hereby file the following:

- 1. The Defendants' Trial Exhibits 65-72.

Respectfully submitted,

BUIST BYARS & TAYLOR, LLC

/s/ G. Hamlin O'Kelley, III

G. Hamlin O'Kelley, III,

SC Bar No. 15491

652 Coleman Blvd., Suite 200

Mt. Pleasant, SC 29464

T: (843) 856-4488

F: (843) 856-0613

Hamlin.okelley@buistbyars.com

*Attorney for Defendants Mariners Cay Marina
Condo, LLC, and Mariners Cay Fuel Dock, LLC and
South Atlantic Bank*

LUZURIAGA MIMS, LLP

By: /s/Kevin W. Mims

Kevin W. Mims, Esq.

SC Bar No. 69418

Whidbee S. Perrin, Esq.

SC Bar No. 100396

50 Immigration St, Suite 200

Charleston, SC 29403

(843) 410-4713

kmims@lmlawllp.com

wperrin@lmlawllp.com

*Attorneys for the Defendants Mariners Cay Marina
Condo, LLC and George A. Farmer, Jr.*

March 25, 2022

**BARR, UNGER
& MCINTOSH**
ATTORNEYS AT LAW

Capers G. Barr, IV
Email: cbarr@barrungermcintosh.com

October 24, 2017

G. Hamlin O'Kelley, III, Esquire
Buist Byars & Taylor, LLC
652 Coleman Blvd., Ste. 200
Mt. Pleasant, SC 29464

Joseph K. Qualey, Esq.
Robert G. Jones, Esq.
Qualey Law Firm
23 Broad Street
Charleston, SC 29401

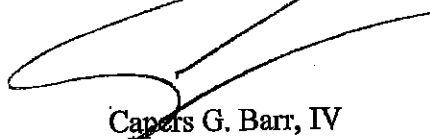
**RE: *Mariner's Cay Marina Council of Co-Owners, Inc. v. Mariners Cay Marina
Condo, LLC, et al.***
Case No.: 2017-CP-10-3099
Our File No.: 2017-1152

Dear Gentlemen:

Attached please find Plaintiffs' responses to Defendants' first set of request to admit for the case referenced above.

If you have any questions regarding Plaintiffs' responses, please contact me.

Sincerely yours,



Capers G. Barr, IV

cc: David C. Cleveland, Esq.
Alben D. Neighbors
Dan G. Nekola

CGBiv:raa
Enclosures (as stated)

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
)
ALBEN D. NEIGHBORS AND DAN G.)
NEKOLA, ON BEHALF OF THEMSELVES)
AND OTHERS SIMILARLY SITUATED,)
AND MARINER'S CAY MARINA)
COUNCIL OF CO-OWNERS, INC.,)

PLAINTIFFS,)

vs.)

MARINERS CAY MARINA CONDO, LLC)
AND MARINERS CAY FUEL DOCK, LLC,)
AND GEORGE A. FARMER, JR.,)

DEFENDANTS,)

and)

MARINERS CAY MARINA CONDO, LLC)
AND MARINERS CAY FUEL DOCK, LLC,)

THIRD-PARTY PLAINTIFFS)

vs.)

EMERALD MCDONGOUGH ROAD)
HOLDINGS, LLC,)

THIRD-PARTY DEFENDANT.)

IN THE COURT OF COMMON PLEAS
THE NINTH JUDICIAL CIRCUIT

CASE NO.: 2017-CP-10-3099

**PLAINTIFFS' RESPONSES TO
DEFENDANTS' FIRST SET OF
REQUEST TO ADMIT**

**TO: G. HAMLIN O'KELLEY, III, ESQ., ATTORNEY FOR DEFENDANTS
MARINERS CAY MARINA CONDO, LLC, AND MARINER CAY FUEL DOCK, LLC
AND JOSEPH K. QUALEY, ESQ., AND ROBERT G. JONES, ESQ. ATTORNEYS FOR
GEORGE A. FARMER:**

The Plaintiff answering the Defendants and Third-Party Plaintiffs Requests for
Admission would respond as follows:

1. Admit that the document attached hereto as Exhibit "A" is a true and accurate copy of a portion of that Amended and Restated Master Deed for Mariner's Cay Marina Horizontal Property Regime as recorded in Book X618 at Page 603 on March 19, 2007, in the Office of the RMC for Charleston County.

RESPONSE: Admitted.

2. Admit that the document attached hereto as Exhibit "A" sets forth a Schedule of Basic Values and Percentage Interests on Exhibit "D" attached thereto.

RESPONSE: Admitted.

3. Admit that Exhibit "B" is a true and accurate copy of the Summons and Complaint filed on February 12, 2013, in the Office of the Clerk of Court for Charleston County in that case captioned *First South Bank v. Tiger River Capital*, Case No. 2013-CP-10-00850.

RESPONSE: Admitted.

4. Admit that Mariner's Cay Marina Council of Co-Owners, Inc., was a named Defendant in that Complaint attached hereto as Exhibit "B".

RESPONSE: Admitted.

5. Admit that the Complaint attached hereto as Exhibit "B" was a mortgage foreclosure action to foreclosure on Units 1-A and 1-B and C-21 and C-22 as described therein as the "Subject Property" as shown on Exhibit "A" to the Complaint.

RESPONSE: Plaintiffs admit that the Complaint attached as Exhibit "B" was a mortgage foreclosure action. Plaintiffs deny that the foreclosure was "on Units 1-A and 1-B and C-21 and C-22."

6. Admit that the document attached hereto as Exhibit "C" is a true and accurate copy of an Order and Judgment for Foreclosure and Sale filed March 16, 2015, in that case captioned *First South Bank v. Tiger River Capital*, Case No. 2013-CP-10-00850.

RESPONSE: Admitted.

7. Admit that the document attached hereto as Exhibit "C" ordered Units 1-A and 1B and C-21 and C-22 to be sold a public auction as set forth in that Order and Judgment for Foreclosure and Sale in that case captioned *First South Bank v. Tiger River Capital*, Case No. 2013-CP-10-00850.

RESPONSE: Plaintiffs admit that the document attached as Exhibit "C" ordered that Dock Units C-21 and C-22 be sold at public auction as set forth in said Order. Plaintiff's deny that said Order ordered "Units 1-A and 1B" be sold.

8. Admit that the document attached hereto as Exhibit "D" is a true and accurate copy of the Master's Report on Sale and Disbursements and Order of Confirmation filed on July 23, 2015, that case captioned *First South Bank v. Tiger River Capital*, Case No. 2013-CP-10-00850.

RESPONSE: Admitted.

9. Admit that the document attached hereto as Exhibit "D" confirms that there was sale of the premises subject to the lawsuit with a high bid of \$280,000.00 with a Master's Deed issued to Emerald Portfolio, LLC.

RESPONSE: Admitted.

10. Admit that the document attached hereto as Exhibit "E" is a true and accurate copy of that Master's Deed recorded in Book 0150 at Page 674 in the Office of the RMC for Charleston County on October 14, 2015, transferring the property described therein to Emerald Portfolio, LLC.

RESPONSE: Plaintiffs admit that the document attached hereto as Exhibit "E" is a true and accurate copy of that Master's Deed recorded in Book 0150 at Page 674 in the Office of the RMC for Charleston County on October 14, 2015. Plaintiffs deny that said document transferred title to the property described therein to Emerald Portfolio, LLC.

11. Admit that the document attached hereto as Exhibit "F" is a true and accurate copy of that Quit-Claim Deed from Emerald Portfolio, LLC, recorded in Book 0517 at Page 162 on November 13, 2015, in the Office of the RMC for Charleston County, transferring the property described therein to Emerald McDonough Road Holdings, LLC.

RESPONSE: Plaintiffs admit that the document attached hereto as Exhibit "F" is a true and accurate copy of a Quit-Claim Deed from Emerald Portfolio, LLC, recorded in Book 0517 at Page 162 on November 13, 2015, in the Office of the RMC for Charleston County. Plaintiffs deny that said document transferred title to the property described therein to Emerald McDonough Road Holdings, LLC.


12. Admit that the document attached hereto as Exhibit "G" is a true and accurate copy of that Limited Warranty Deed from Emerald McDonough Road Holdings, LLC, recorded in Book 0556 at Page 511 on May 25, 2016, transferring the property described therein to Mariners Cay Marina Condo, LLC.

RESPONSE: Plaintiffs admit that the document attached hereto as Exhibit "G" is a true and accurate copy of a Limited Warranty Deed from Emerald McDonough Road Holdings, LLC, recorded in Book 0556 at Page 511 on May 25, 2016. Plaintiffs deny that said document transferred title to the property described therein to Mariners Cay Marina Condo, LLC.

13. Admit the document attached hereto as Exhibit "H" is a true and accurate copy of that Limited Warranty Deed from Emerald McDonough Road Holdings, LLC, recorded in Book 0555 at Page 946 on May 24, 2016, transferring the property described therein to Mariners Cay Fuel Dock, LLC.

RESPONSE: Plaintiffs admit the document attached hereto as Exhibit "H" is a true and accurate copy of that Limited Warranty Deed from Emerald McDonough Road Holdings, LLC, recorded in Book 0555 at Page 946 on May 24, 2016. Plaintiffs deny that said document transferred title to the property described therein to Mariners Cay Fuel Dock, LLC

BARR, UNGER & McINTOSH, LLC



Capers G. Barr, IV
SC Bar No: 65075
11 Broad Street
Charleston, SC 29401
(843) 577-5083
(843) 723-9039 (FAX)
cbarr@barrungermcintosh.com
Attorney for the Plaintiff

Charleston, South Carolina
October 24, 2017

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)
ALBEN D. NEIGHBORS AND DAN G.)
NEKOLA, ON BEHALF OF THEMSELVES)
AND OTHERS SIMILARLY SITUATED,)
AND MARINER'S CAY MARINA)
COUNCIL OF CO-OWNERS, INC.,)
PLAINTIFFS,)
vs.)
MARINERS CAY MARINA CONDO, LLC)
AND MARINERS CAY FUEL DOCK, LLC,)
AND GEORGE A. FARMER, JR.,)
DEFENDANTS,)
and)
MARINERS CAY MARINA CONDO, LLC)
AND MARINERS CAY FUEL DOCK, LLC,)
THIRD-PARTY PLAINTIFFS)
vs.)
EMERALD MCDONGOUGH ROAD)
HOLDINGS, LLC,)
THIRD-PARTY DEFENDANT.)

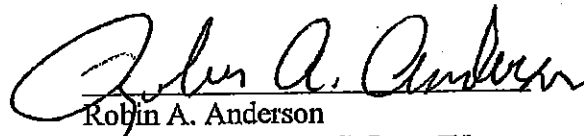
IN THE COURT OF COMMON PLEAS
THE NINTH JUDICIAL CIRCUIT
CASE NO.: 2017-CP-10-3099

CERTIFICATE OF SERVICE

I hereby certify that I have served a copy of the foregoing Plaintiff's Responses to Defendants First Request to Admit on the attorney for the Defendants by electronic mail and U.S. Mail, to the following addresses:

G. Hamlin O'Kelley, III
Buist Byars & Taylor, LLC
652 Coleman Blvd., Ste.200
Mt. Pleasant, SC 29464
hamlin.okelley@buistbyars.com
Attorney for Defendants Mariners Cay Marina
Condo, LLC, and Mariners Cay Fuel Dock, LLC

Joseph K. Qualey, Esq.
Robert G. Jones, Esq.
Qualey Law Firm
23 Broad Street
Charleston, SC 29401
RJones@QLawfirm.com
JoeQualey@QLawfirm.com
Attorneys for the Defendant George A. Farmer,
Jr.


Robin A. Anderson
Paralegal to Capers G. Barr, IV

Charleston, South Carolina
October 24, 2017

REPAIRS

UNIT 1-A. INTERIOR

Remove debris, cabinets, built ins, carpet half wall counter tops. Make room clear, clean and ready for floor sanding and refinishing.

1. **Labor cost \$1,097.00**

DOLPH FARMER 843-270-7096 CROIX FARMER, NATHAN FARMER
3-A MARINERS CAY DR., FOLLY BEACH

Sand and Refinish interior hardwood floors.

2. **Material and labor \$2,800.00**

ESDRAS GUARES 843-345-4766
1830 ROYLE RD., LOT 11, SUMMERVILLE SC 29486

Prep, prime and paint interior walls.

3. **Materials \$875.00**

4. **Labor \$1,000.00**

WILFREDO HERNANDEZ, 3910 DORSEY AVE, LOT 1, N.CHARLESTON, SC
843-751-6690

UNIT 1-B. INTERIOR

Replaced existing Cabinets, counter top.

5. **Materials \$1,433.00**

UNIT 1-A and Unit 1-B. EXTERIOR

The building consisting of unit 1-A and 1-B had extensive damage from neglect and no maintenance over the previous 10 + years. Labor cost to remove and haul rotten wood on decks, siding, steps, railings and pickets:

Owner estimates he put in an estimated 480 hrs of time from May 2016 to November 2016, in repairing the building. This labor cost is not included in the labor cost given.

6. **Labor cost \$1,200.00.**

CROIX AND NATHAN FARMER. 3-A MARINERS CAY, FOLLY 843-270-7096

7. **Material cost (wood / lumber/ nails) \$5,707.95**

Prep, prime, caulk and paint exterior of building. From rooftop to lattice.

8. **Materials-Paint \$3,280.85 SPECTRUM PAINT, JOHNS ISLAND**

9. **Labor. \$7,750.00**

WILFREDO HERNANDEZ, 3910 DORSEY AVE, LOT 1, N.CHARLESTON, SC
843-751-6690

Replace/ REPAIRS HVAC UNIT 1-A and UNIT 1-B

10. Labor and materials. \$9,769.03

MICKEY STEWART 843-224-8552, 238 CANABERRY CRL., SUMMERVILLE, SC
29483

Building inspection

11. Inspection/Report \$695.94

ACE Inspection , CHARLESTON , SC 877-832-0455

Building Survey:

12. Survey 300.00

13. Elevation Certificate. \$450.00

Schwacke Survey, Maybank hwy, 843-762-7005

DHEC. FUEL DOCKS/TANKS FEES:

14. 2016. \$1,000.00

15. 2017 \$1,000.00

16. 2018 \$1,000.00

Past due fees prior to my ownership but required by DHEC to be paid by me

17. PAST DUE FEES FROM PREVIOUS OWNER \$3,472.37

Charleston County DHEC 4050 BRIDGE VIEW DR., N CHARLESTON SC 29405
843-953-0032

HOA FEES:

HOA FEES AT CLOSING

18. \$1,916.73

Weeks & Irvine, LLC. North Charleston, SC (843) 553-9800

HOA FEES 2016

19. C-21 \$788.92

20. C-22 \$788.92

21. 1-A \$1,466.70

22. 1-B \$788.92

HOA FEES 2017

23. C-21 \$1,577.84

24. C-22 \$1,577.84

25. 1-A \$2,933.40

26. 1-B \$1,577.84

HOA FEES 2018 TO DATE

27. C-21 \$394.46

28. C-22 \$394.46

29. 1-A \$733.35

30. 1-B \$394.46

HOA FINE FOR PARKING

31. \$250.00

ALL HOA FEES PAID TO:

**MARINERS CAY MARINA COUNCIL OF CO-OWNERS 4925 LACROSS RD., SUITE 112
N.CHAS. 800-932-6636**

INSURANCE

2016 - 2017:

1-A AND 1-B

32. BUILDING. \$2,729.50

33. FLOOD POLICY \$6,327.00

34. HO6 POLICY \$925.00

CT-LOWNDES 2016-2017

749 St Andrews Blvd, Charleston, SC 29407 (843) 763-0120

1A AND 1B BUILDING

35. FLOOD \$3,548.00

36. BUILDING \$2,598.00

37. LIABILITY \$393.00

SADLER HAMM INSURANCE

22 A Windermere Boulevard, Charleston, SC 29407 (843) 766-0261

PURCHASE EXPENSES

MARINERS CAY MARINA FUEL DOCK LLC CASH. PURCHASE PRICE 40,000.00

38. FUEL DOCK (CASH) \$40,000.00

39. TOTAL CLOSING COST \$1,341.78

Weeks & Irvine, LLC. North Charleston, SC (843) 553-9800

MARINERS CAY MARINA CONDO LLC

FINANCED. PURCHASE PRICE 210,000.00

FINANCED AMOUNT 150,000.00,

DOWN PAYMENT \$60,000

40. DOWN PAYMENT + LOAN PAYMENTS \$83,530.70

(DOWN PAYMENT [\$60,000] + LOAN PAYMENTS TO DATE [\$23,530.70])
06-27-16 TO 12-18-17

41. CLOSING COST \$9,915.03

SOUTH ATLANTIC BANK, PO BOX 70130 MYRTLE BEACH SC 29572

POST CLOSING ATTORNEY FEES

42. \$13,900.00

JAMES DUGGAN 10-01-16 TO PRESENT

44 Markfield Dr, Charleston, SC 29407 843-414-7730

43. \$9,500.00

JOE QUALEY 07-21-17 TO PRESENT 23 Broad St, Charleston, SC 29401 (843) 577-3434

PROPERTY TAXES

TAX OFFICE CHAS COUNTY

2016

44. UNIT 1-A \$3,821.67

45. UNIT 1-B \$2,322.03

46. UNIT C-21 \$307.01

47. UNIT C-22 \$307.01

2017

48. UNIT 1-A \$1,779.38

49. UNIT 1-B \$1,779.38

50. UNIT C-21 \$265.80

51. UNIT C-22 \$265.80

UTILITY BILLS (06-01-16 TO 01-16-18)

TOTAL AMOUNTS FOR ELECTRIC AND WATER FOR UNIT 1-A AND 1-B.

52. WATER \$2,678.03

CITY OF FOLLY, P.O. Box 48, 21 Center Street Folly Beach, SC 29439. (843) 588-2447

53. ELECTRIC \$6,660.51

SCE&G P.O. Box 100255 Columbia, SC 29202

REPAIR FOR UNIT 1-B

THE FOLLOWING ITEMS WERE PURCHASE AND INSTALLED BY OWNER. COST ARE ESTIMATES

54. SUPPLIES/SERVICES \$2,574.00

- Carpet cleaning
- Cleaning
- Remove old cabinets labor
- Bathroom cabinets x2
- Blinds x 16
- Door knobs
- Light fixtures x 2
- Fan
- Closet door
- Drapery rods x 8
- Stove
- Counter tops
- Shiplap
- Hot water heater
- fire/smoke detector
- Custom shelving
- Total cost

TOTAL COST ITEMS 1 - 54: \$254,541.83

This amount is as of 1/18/18, costs to us are being incurred daily.



PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made and entered into this 21 day of March, 2016 (the "Effective Date"), by and between Emerald McDonough Road Holdings, LLC, a South Carolina limited liability company ("Seller"), and Mariners Cay Marina Condo LLC ("Buyer"), upon the following terms and conditions:

1. **Purchase and Sale.** Pursuant to this Agreement, Buyer shall purchase and Seller shall sell all of Seller's right, title, and interest in and to that certain real property consisting of two condominium units; Unit 1-A, parcel number 328-00-00-544 and Unit 1-B, parcel number 328-00-00-545 at 2 McDonough Rd., Folly Beach, SC 29439, County of Charleston and legally described on Exhibit A attached hereto together with all appurtenances thereto and improvements thereon ("Property").

2. **Disclaimer; Release of Claims.**

2.1. Buyer acknowledges and understands that Seller acquired the Property by foreclosure, deed in lieu of foreclosure, forfeiture, or similar process, and Seller consequently has little or no direct knowledge concerning the condition of the Property. As a material part of the consideration to be received by Seller under this Agreement as negotiated and agreed to by Buyer and Seller, Buyer acknowledges and agrees to accept the Property in "as-is," "where-is" condition at the time of closing, including, without limitation, zoning, land use or building code requirements or compliance with any law, rules, ordinances or regulations of any government authority; any hidden defects, environmental conditions affecting the Property, or the existence of mold, whether known or unknown, whether such defects or conditions were discoverable through inspection or not.

2.2. THE PROPERTY IS BEING SOLD "AS IS", "WHERE IS" AND "WITH ALL FAULTS" AS OF CLOSING, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. SELLER SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE PROPERTY. BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE PROPERTY BASED SOLELY UPON BUYER'S OWN INDEPENDENT INSPECTIONS, INVESTIGATIONS AND FINDINGS AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED BY SELLER OR SELLER'S AGENTS.

2.3 Without limiting the provisions of Paragraph 2.1 and 2.2 above, Buyer releases Seller from any and all claims, demands, causes of action, judgments, losses, damages, liabilities, costs and expenses (including without limitation attorney's fees whether suit is instituted or not), whether known or unknown, liquidated or contingent (collectively, "Claims") arising from or related to (a) any defects, errors or omissions in the design or construction of the Property, whether the same are a result of negligence or otherwise; or (b) other conditions (including environmental conditions) affecting the Property, whether the same are a result of negligence or otherwise. The release set forth in this Paragraph specifically includes any Claims under any Environmental Laws, under the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et

BBT 1219.0019

Mariner's Cay Marina Condo LLC and Mariner's Cay Fuel Dock LLC
Weeks & Irvine Subpoena Response Documents

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seq., or with respect to any environmental risk. "Environmental Laws" includes, but is not limited to, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§6901 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), the Emergency Planning and Community Right to Know Act (42 U.S.C. §§11001 et seq.), the Clean Air Act (42 U.S.C. §§7401 et seq.), the Clean Water Act (33 U.S.C. §§1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §§2601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§1801 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§651 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§136 et seq.), and the Safe Drinking Water Act (42 U.S.C. §§300f et seq.), as any of the same may be amended from time to time, and any state or local law dealing with environmental matters, and any regulations, orders, rules, procedures, guidelines and the like promulgated in connection therewith, regardless of whether the same are in existence on the date of this Agreement.

3. Purchase Price; Deposit and Closing Date.

3.1. The purchase price for the Property shall be Two Hundred Ten Thousand and 00/100 DOLLARS (\$210,000.00)("Purchase Price").

3.2 Buyer and Seller hereby agree that the "Closing Attorney" shall be:

Mark Weeks
873 Orleans Rd #102
Charleston, SC 29407
Phone:(843) 576-0547
Email: mweeks@weekslawfirm.net

Seller shall retain its own closing attorney at Seller's expense.

3.3 Within three (3) days after the Effective Date, Buyer shall deposit with the Closing Attorney, by check or wire transfer, the sum of Five Thousand and 00/100 DOLLARS (\$5,000.00) (the "Deposit").

3.4 The Deposit shall be applicable toward the Purchase Price. The balance of the Purchase Price after application of the Deposit shall be paid upon closing of this sale ("Closing") by bank check or wire transfer. The "Closing Date" means that date which is five (5) days after the expiration of the Feasibility Period, or any earlier date to which Buyer and Seller mutually agree in writing.

4. Survey. Seller is not in possession of a survey of the Property. Buyer, at its expense, may obtain a new or updated survey of the Property (the "Survey").

5. Title Review. The "Title Company" shall be determined by the Closing Attorney. Within ten (10) business days after the Effective Date, Buyer shall cause the Title Company, at Buyer's expense, to provide Buyer with a commitment for a standard form ALTA Standard

Coverage Owner's Title Policy on the Property (the "**Commitment**") issued by the Title Company, and copies of all instruments shown by the Commitment as exceptions. Buyer shall have five (5) days after receipt of the Commitment (the "**Review Period**"), including copies of all documents constituting exceptions to title, to review the Commitment. Within the Review Period, Buyer may either (a) terminate this Agreement and receive a refund of the Deposit if Buyer is not satisfied, in the exercise of its sole judgment, with matters disclosed in the Commitment, or (b) deliver to Seller written objections to any matters disclosed in the Commitment. Within three (3) days of receipt of such written objections, Seller shall notify Buyer whether or not it will cure any such defects ("**Seller Notice**"), which it may elect to do, or not do, in the exercise of Seller's sole and absolute discretion. Seller's failure to send the Seller Notice shall mean that Seller has elected not to cure any such defects. If Seller elects (or is deemed to have elected) not to cure, then Buyer shall have two (2) days after receipt of the Seller Notice (or if there is no Seller Notice then two (2) days from the end of the three (3) day period) to either (i) terminate this Agreement and receive a refund of the Deposit or (ii) waive the defects and proceed with this transaction, in which case such defects shall be deemed approved by Buyer.

6. **Title Insurance and Deed.** At Closing, Seller shall convey title to the Property to Buyer by special warranty deed (the "**Deed**"). At Buyer's expense, shall cause the Title Company to deliver to Buyer at Closing, a standard form ALTA Standard Coverage Owner's Title Insurance Policy (the "**Policy**") issued by the Title Company pursuant to the Commitment, insuring marketable fee simple title to Buyer in the full amount of the Purchase Price; provided that any requirement for the Policy to be issued without Standard Survey Exceptions shall be subject to Buyer's requirement to obtain the Survey and the Title Company's willingness to accept an Owner's Affidavit in form satisfactory to Seller in its sole and absolute discretion. The incremental cost to issue extended ALTA title insurance coverage, title endorsements and/or a lender's title insurance policy, if any, shall be paid by Buyer. The cost to record the Deed shall be paid by Buyer. Any closing fee charged by the Closing Attorney to close the transaction shall be paid by Buyer.

7. **Risk of Loss and Condemnation.** Risk of loss by damage or destruction to the Property after the Effective Date but prior to Closing shall be borne by Seller. In the event any damage or destruction is not fully repaired prior to Closing, Buyer, at its option, may either cancel this Agreement and receive a refund of the Deposit or elect to close the transaction, in which event Seller's right to all insurance proceeds not yet applied to repair of the damage or destruction shall be assigned in writing by Seller to Buyer at Closing. If all or any part of the Property is condemned or any condemnation action or proceeding is commenced prior to Closing, Buyer may, at its option, either (a) cancel this Agreement and receive a refund of the Deposit, or (b) complete the purchase, with all condemnation proceeds and claims being assigned to Buyer.

8. **Taxes and Assessments.**

8.1 Seller shall pay all valid delinquent real property taxes, water rates, sewer charges, assessments, special and otherwise, and other charges which are a valid lien against the Property as of the Closing Date. Current real estate taxes and current installments of special assessments, if any, shall be prorated on a due date basis to the date of Closing, in accordance with the local custom for the county in which the Property is located. Any federal, state and local documentary

or revenue stamps, transfer, sales and other taxes relating to the sale of the Property shall be paid by Buyer and/or Seller at Closing based on local custom for the county in which the Property is located and both parties agree to execute any tax forms required.

8.2 All net property tax refunds and credits attributable to any period prior to the Closing, if any, shall be the property of Seller. All net property tax refunds and credits attributable to any period subsequent to the Closing, if any, shall be the property of Buyer.

9. **Remedies for Default.**

9.1: In the event of a breach or default hereunder by Buyer, Seller may, after written notice of default to Buyer specifying the nature of such default(s) and the failure of Buyer to cure such default(s) within five (5) days after Buyer's receipt of such notice, declare a forfeiture hereunder and retain the Deposit as liquidated damages, the same to be Seller's sole remedy for any breach or default hereunder by Buyer. Seller waives any rights to consequential, special, punitive or other damages with regard to any claims under or related to the Property, this Agreement or the transaction described herein, whether in contract or tort, law or equity. Nothing herein shall limit Buyer's indemnity obligation pursuant to Paragraph 10 of this Agreement, which indemnity obligation shall survive termination of this Agreement or Closing.

9.2 In the event of a breach or default hereunder by Seller, Buyer may after written notice of default to Seller specifying the nature of such default(s) and the failure of Seller to cure such default(s) within five (5) days after Seller's receipt of such notice, terminate this Agreement and be entitled to an immediate refund of the Deposit, as Buyer's sole remedy for any breach or default hereunder by Seller. Buyer waives any rights to consequential, special, punitive or other damages with regard to any claims under or related to the Property, this Agreement or the transaction described herein, whether in contract or tort, law or equity.

10. **Right of Entry and Inspection.** At any time prior to the expiration of the Feasibility Period (as hereafter defined), with Seller's prior approval, not to be unreasonably withheld, conditioned or delayed, at Buyer's sole expense, Buyer or its authorized agents may enter upon the Property to inspect same. Buyer may select qualified professionals to make "Inspections" (including tests, borings, surveys, studies, inspections, investigations and interviews of persons familiar with the Property) concerning the Property, including but not limited to tests of structures, wells, septic tanks, underground storage tanks, soils, geologic hazards, utility lines and systems and environmental hazards (including Phase I and Phase II environmental assessments); provided that Buyer shall not conduct any soil borings or other physically invasive tests of the Property without Seller's prior written consent (which shall not be unreasonably withheld or delayed), and provided further that all Inspections shall be performed in a manner that shall not unreasonably interfere with the ongoing use of the Property by the Seller or the tenants. Buyer shall keep the Property free of any liens, and repair any material physical damages caused by Buyer, its agents, employees, contractors or subcontractors and restore the Property to its condition prior to Inspections. Buyer shall indemnify, defend and hold Seller harmless against all losses, damages, claims, demands and liabilities which may be suffered by or asserted against Seller by reason of Buyer's Inspections, which indemnity obligation shall survive termination of this Agreement or Closing.

11. **Brokerage Fees.** Seller and Buyer each represent that no broker is involved in the transaction contemplated under this Agreement and each party indemnifies the other against brokerage or commission claims arising out of the indemnifying party's actions. George A. Farmer Jr., principal of Buyer, is a real estate licensee under the law of South Carolina and is acting solely as a principal in this transaction and will not be due a commission relating to this transaction or this Agreement.

12. **Representations and Warranties.**

12.1 Seller hereby represents and warrants to Buyer that Seller has the power, right and authority to enter into and perform all of the obligations required of Seller under this Agreement and the instruments and documents referenced herein, and to consummate the transaction herein contemplated.

12.2 Buyer hereby represents and warrants to Seller that Buyer has the power, right and authority to enter into and perform all of the obligations required of Buyer under this Agreement and the instruments and documents referenced herein, and to consummate the transaction herein contemplated. Buyer has made and relied upon its own evaluation and decision to purchase the Property, and Buyer has not relied upon any oral or written information or statements from Seller, other than as expressly set forth in this Agreement.

13. **Feasibility Period.**

13.1. Buyer shall have a thirty five (35) day period from and after the Effective Date (the "**Feasibility Period**") to satisfy the Conditions (as hereafter defined). At any time prior to the end of the Feasibility Period, Buyer may, for any reason in its sole and absolute discretion, cancel this Agreement by providing written notice thereof to Seller prior to the end of the Feasibility Period and receive a refund of the Deposit and neither party shall have any further obligation to the other except those that expressly survive termination. The term "Conditions" means (a) the Property is suitable to Buyer, in its sole and absolute discretion, for its intended use, and (b) Buyer is satisfied, in its sole and absolute discretion, with the Inspections.

13.2. In the event Buyer shall not provide notice of termination prior to the expiration of the Feasibility Period, then the Deposit shall be deemed nonrefundable and immediately released without further instruction from either Buyer or Seller, except in the case of a default by Seller hereunder, in which case the Deposit may be refunded pursuant to a termination of this Agreement by Buyer pursuant to Paragraph 9.2 hereof.

14. **Notices.** Any notice provided for in or permitted under this Agreement shall be made in writing and may be given or served by (a) delivering the same in person to the party to be notified, (b) depositing the same in the United States mail, postage prepaid, registered or certified with return receipt requested, and addressed to the party to be notified at the address herein specified, (c) sent by reputable overnight delivery services (such as Federal Express or United States Express Mail) or (d) sent by electronic mail (with confirmation sent by any of the means described in subparagraphs (a), (b) or (c) above). Notices given in accordance with any of the foregoing methods shall be effective when received (or service is refused). For the purpose

of notice, the address of the parties shall be, until changed, as set forth below. The parties shall have the right at any time to change their respective addresses and each shall have the right to specify as its address any other address by written notice to the other party.

If to Seller:

Linda Stone
Asset Manager
c/o Sabal Financial Group, L.P.
4675 MacArthur Court, Suite 1550
Newport Beach, CA 92660
email: linda.stone@sbalfin.com

With a Copy To:

Ralph Carrillo
Escrow Coordinator
Sabal Financial Group, L.P.
4675 MacArthur Court, Suite 1550
Newport Beach, CA 92660
email: ralph.carrillo@sbalfin.com

If to Buyer:

Mariners Cay Marina Condo LLC
Attn: George A. Farmer Jr.
Phone: 843 270-7096
Email: dolph@charlestownepd.com

With a Copy To:

[Name]
[Company]
Address
Address
email:

15. **No Third Party Beneficiary.** This Agreement shall not confer any rights, benefits or remedies upon any entities or persons other than the Buyer, Seller and their respective executors, heirs, administrators, successors and assigns.

16. **Time of Essence.** Time is of the essence of this Agreement.

17. **Entire Agreement.** This Agreement contains the entire agreement between Seller and Buyer, and there are no other terms, conditions, promises, undertakings, statements or representations, either written or oral or express or implied, concerning the sale contemplated by this Agreement.

18. **Headings.** The paragraph headings are for convenience of reference only and do not modify or restrict any provisions hereof and shall not be used to construe any provisions.

19. **Modifications and Waiver.** This Agreement may be amended only by an instrument in writing signed by both Seller and Buyer. This Agreement may be terminated only in accordance with the terms of this Agreement or by an instrument in writing signed by both Seller and Buyer. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the party making the waiver.

20. **Successors.** This Agreement shall inure to the benefit of and bind the parties hereto and their respective executors, heirs, administrators, successors and assigns. Buyer may not assign this Agreement without the prior written consent of Seller. No assignment shall relieve the assigning party from its obligations hereunder.

21. **Governing Law and Attorneys' Fees.** This Agreement shall be governed and enforced by, and construed in accordance with the laws of the state in which the Property is located. In the event either party hereto finds it necessary to employ legal counsel or to bring an action at law or other proceedings against the other party to enforce any of the terms, covenants or conditions hereof, the prevailing party in such action or proceeding shall be paid all reasonable attorneys' fees, as determined by the court and not the jury, and in the event any judgment is secured by such prevailing party, all such attorneys' fees shall be included in any such judgment in such action or proceedings.

22. **Computing Any Time Period.** Wherever this Agreement requires that something be done within a specified period of days, the period shall (a) not include the day from which the period commences, (b) include the day upon which the period expires, (c) expire at 5:00 p.m. local time on the day upon which the period expires and (d) unless otherwise specified in this Agreement shall be construed to mean calendar days, provided, that if the final day of the period falls on a Saturday or Sunday or legal holiday (limited to the day set aside by statute for observing New Year's Day, Martin Luther King Jr.'s Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, or Christmas Day), it shall be extended to first business day thereafter.

23. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, together, shall constitute one and the same instrument.

[signatures on the next page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER:

Emerald McDonough Road Holdings, LLC
a South Carolina limited liability company

By: Sabal Financial Group, L.P.,
Its Manager

By: Mark E. Foster

Name: Mark E. Foster
Vice President & General Counsel

Its: _____

BUYER:

Mariners Cay Marina Condo LLC

a _____

By: George A. Farmer Jr.

Name: George A. Farmer Jr.

Its: _____

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Purchase and Sale Agreement and Joint Escrow Instructions (Rev. 4-30-14)

BBT 1219.0019
Mariner's Cay Marina Condo LLC and Mariner's Cay Fuel Dock LLC
Weeks & Irvine Subpoena Response Documents

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ROA 2856

EXHIBIT A
LEGAL DESCRIPTION

[TO BE PROVIDED WITH TITLE COMMITMENT]

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Purchase and Sale Agreement and Joint Escrow Instructions (Rev. 4-30-14)

BBT 1219.0019

**Mariner's Cay Marina Condo LLC and Mariner's Cay Fuel Dock LLC
Weeks & Irvine Subpoena Response Documents**

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ROA 2857

CONTACT SHEET

Closing Attorney:

Mark Weeks
873 Orleans Rd #102
Charleston, SC 29407
Phone: (843) 576-0547
Email: mweeks@weekshwfirm.net

Seller Attorney:

James M. Allison, P.A.
Attention: Bridget Klebe
109 East North Street
Greenville, SC 29601
Phone: 864-271-2656
Email: bklebe@allisonlaw.biz

Seller:

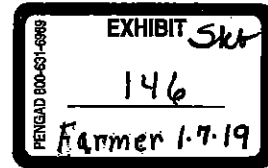
Emerald McDonough Road Holdings, LLC
c/o Sabal Financial Group
Attn: Linda Stone
4675 MacArthur Court, 15th Floor
Newport Beach, CA 92660
Phone: 626 510-1326
Email: linda.stone@sabaltfn.com

Buyer:

Mariners Cay Marina Condo LLC
Attn: George A. Farmer Jr.
Phone: 843 270-7096
Email: dolph@charlestowntnepd.com

Seller's Closing Coordinator:

Sabal Financial Group
Attn: Ralph Carrillo
4675 MacArthur Court, 15th Floor
Newport Beach, CA 92660
Phone: 949 517-0815
Email: rcarrillo@sabaltfn.com



FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT ("Amendment") is dated as of April 28, 2016, by and between Emerald McDonough Road Holdings, LLC ("Seller"), and Mariners Cay Marina Condo LLC ("Buyer").

R E C I T A L S :

A. Seller and Buyer have previously entered into that certain Purchase and Sale Agreement made as of March 21, 2016 (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Agreement.

B. Buyer and Seller desire to amend the Agreement in certain respects, as hereinafter provided.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree to amend the Agreement as follows:

1. Extension of Feasibility Period. Notwithstanding anything to the contrary set forth in the Agreement, the Feasibility Period is hereby extended to May 24, 2016.
2. Deposit. No later than May 1, 2016, Buyer shall deposit with the Closing Attorney by wire transfer an additional Eight Thousand 00/100 Dollars (\$8,000.00) so that the total Deposit shall be Thirteen Thousand 00/100 Dollars (\$13,000.00). Notwithstanding anything to the contrary set forth in the Agreement or this Amendment, the Deposit is hereby immediately nonrefundable and applicable to the Purchase Price at Closing. Buyer and Seller each hereby expressly authorize and direct the Closing Attorney, without further instructions or approvals from either Buyer or Seller, to immediately release the Deposit to Seller.
3. Extension of Closing Date. Notwithstanding anything to the contrary set forth in the Agreement, the Closing Date is hereby extended to May 31, 2016, or any earlier date to which Buyer and Seller mutually agree in writing.
4. Miscellaneous.
 - a. Effect of Amendment. Except to the extent the Agreement is modified by this Amendment, the remaining terms and conditions of the Agreement shall remain unmodified and in full force and effect. In the event of conflict, between the terms and conditions of the Agreement and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall prevail and control.

b. Entire Agreement. The Agreement, together with this Amendment, embodies the entire understanding between Seller and Buyer with respect to its subject matter and can be changed only by an instrument in writing signed by Seller and Buyer.

c. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute one in the same Amendment. A signed counterpart that is transmitted by facsimile or in PDF format shall be treated in all manners and respects as an original Amendment or signature page.

d. Authority. Each individual executing this Amendment on behalf of Buyer and Seller represents that he or she is duly authorized to execute and deliver this Amendment on behalf of Buyer or Seller, as applicable, and that this Amendment is binding upon the parties.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first set forth above.

SELLER:

Emerald McDonough Road Holdings, LLC
a South Carolina limited liability company

By: Sabal Financial Group, L.P.
Its:
Manager

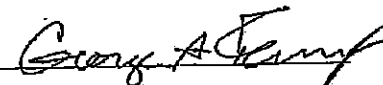
By: 

Name: Kevin R. McKenzle
Authorized Signatory

Its: _____

BUYER:

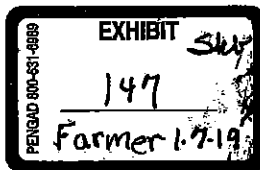
Mariners Cay Marina Condo LLC,
a _____

By: 

Name: George A. Farmer

Its: _____

ROA 2863



TBD-LP

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("Agreement") is made and entered into this _____ day of March, 2016 (the "Effective Date"), by and between Emerald McDonough Road Holdings, LLC, a South Carolina limited liability company ("Seller"), and Mariners Cay Fuel Dock LLC ("Buyer"), upon the following terms and conditions:

1. Purchase and Sale. Pursuant to this Agreement, Buyer shall purchase and Seller shall sell all of Seller's right, title, and interest in and to that certain real property consisting two boat slips: Unit C-21, parcel number 328-00-00-507 and Unit C-22, parcel number 328-00-00-508 located at 2 McDonough Rd., Folly Beach, SC 29439, County of Charleston and legally described on Exhibit A attached hereto together with all appurtenances thereto and improvements thereon ("Property").

2. Disclaimer; Release of Claims.

2.1. Buyer acknowledges and understands that Seller acquired the Property by foreclosure, deed in lieu of foreclosure, forfeiture, or similar process, and Seller consequently has little or no direct knowledge concerning the condition of the Property. As a material part of the consideration to be received by Seller under this Agreement as negotiated and agreed to by Buyer and Seller, Buyer acknowledges and agrees to accept the Property in "as-is," "where-is" condition at the time of closing, including, without limitation, zoning, land use or building code requirements or compliance with any law, rules, ordinances or regulations of any government authority; any hidden defects, environmental conditions affecting the Property, or the existence of mold, whether known or unknown, whether such defects or conditions were discoverable through inspection or not.

2.2. THE PROPERTY IS BEING SOLD "AS IS", "WHERE IS" AND "WITH ALL FAULTS" AS OF CLOSING, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. SELLER SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE PROPERTY. BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE PROPERTY BASED SOLELY UPON BUYER'S OWN INDEPENDENT INSPECTIONS, INVESTIGATIONS AND FINDINGS AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED BY SELLER OR SELLER'S AGENTS.

2.3 Without limiting the provisions of Paragraph 2.1 and 2.2 above, Buyer releases Seller from any and all claims, demands, causes of action, judgments, losses, damages, liabilities, costs and expenses (including without limitation attorney's fees whether suit is instituted or not), whether known or unknown, liquidated or contingent (collectively, "Claims") arising from or related to (a) any defects, errors or omissions in the design or construction of the Property, whether the same are a result of negligence or otherwise; or (b) other conditions (including environmental conditions) affecting the Property, whether the same are a result of negligence or otherwise. The release set forth in this Paragraph specifically includes any Claims under any Environmental Laws, under the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et

BBT 1219.0019

Mariner's Cay Marina Condo LLC and Mariner's Cay Fuel Dock LLC
Weeks & Irvine Subpoena Response Documents

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ROA 2864

seq., or with respect to any environmental risk. "Environmental Laws" includes, but is not limited to, the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act (42 U.S.C. §§6901 et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §§ 9601 et seq.), the Emergency Planning and Community Right to Know Act (42 U.S.C. §§11001 et seq.), the Clean Air Act (42 U.S.C. §§7401 et seq.), the Clean Water Act (33 U.S.C. §§1251 et seq.), the Toxic Substances Control Act (15 U.S.C. §§2601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§1801 et seq.), the Occupational Safety and Health Act (29 U.S.C. §§651 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. §§136 et seq.), and the Safe Drinking Water Act (42 U.S.C. §§300f et seq.), as any of the same may be amended from time to time, and any state or local law dealing with environmental matters, and any regulations, orders, rules, procedures, guidelines and the like promulgated in connection therewith, regardless of whether the same are in existence on the date of this Agreement.

3. Purchase Price; Deposit and Closing Date.

3.1. The purchase price for the Property shall be Forty Thousand and 00/100 DOLLARS (\$40,000.00) ("Purchase Price").

3.2 Buyer and Seller hereby agree that the "Closing Attorney" shall be:

Mark Weeks
873 Orleans Rd #102
Charleston, SC 29407
Phone: (843) 576-0547
Email: mweeks@weekslawfirm.net

Seller shall retain its own closing attorney at Seller's expense.

3.3 Within three (3) days after the Effective Date, Buyer shall deposit with the Closing Attorney, by check or wire transfer, the sum of One Thousand and 00/100 DOLLARS (\$1,000.00) (the "Deposit").

3.4 The Deposit shall be applicable toward the Purchase Price. The balance of the Purchase Price after application of the Deposit shall be paid upon closing of this sale ("Closing") by bank check or wire transfer. The "Closing Date" means that date which is fifteen (15) days after the expiration of the Feasibility Period, or any earlier date to which Buyer and Seller mutually agree in writing.

4. Survey. Seller is not in possession of a survey of the Property. Buyer, at its expense, may obtain a new or updated survey of the Property (the "Survey").

5. Title Review. The "Title Company" shall be determined by the Closing Attorney. Within ten (10) business days after the Effective Date, Buyer shall cause the Title Company, at Buyer's expense, to provide Buyer with a commitment for a standard form ALTA Standard

Coverage Owner's Title Policy on the Property (the "Commitment") issued by the Title Company, and copies of all instruments shown by the Commitment as exceptions. Buyer shall have five (5) days after receipt of the Commitment (the "Review Period"), including copies of all documents constituting exceptions to title, to review the Commitment. Within the Review Period, Buyer may either (a) terminate this Agreement and receive a refund of the Deposit if Buyer is not satisfied, in the exercise of its sole judgment, with matters disclosed in the Commitment, or (b) deliver to Seller written objections to any matters disclosed in the Commitment. Within three (3) days of receipt of such written objections, Seller shall notify Buyer whether or not it will cure any such defects ("Seller Notice"), which it may elect to do, or not do, in the exercise of Seller's sole and absolute discretion. Seller's failure to send the Seller Notice shall mean that Seller has elected not to cure any such defects. If Seller elects (or is deemed to have elected) not to cure, then Buyer shall have two (2) days after receipt of the Seller Notice (or if there is no Seller Notice then two (2) days from the end of the three (3) day period) to either (i) terminate this Agreement and receive a refund of the Deposit or (ii) waive the defects and proceed with this transaction, in which case such defects shall be deemed approved by Buyer.

6. Title Insurance and Deed. At Closing, Seller shall convey title to the Property to Buyer by special warranty deed (the "Deed"). At Buyer's expense, shall cause the Title Company to deliver to Buyer at Closing, a standard form ALTA Standard Coverage Owner's Title Insurance Policy (the "Policy") issued by the Title Company pursuant to the Commitment, insuring marketable fee simple title to Buyer in the full amount of the Purchase Price; provided that any requirement for the Policy to be issued without Standard Survey Exceptions shall be subject to Buyer's requirement to obtain the Survey and the Title Company's willingness to accept an Owner's Affidavit in form satisfactory to Seller in its sole and absolute discretion. The incremental cost to issue extended ALTA title insurance coverage, title endorsements and/or a lender's title insurance policy, if any, shall be paid by Buyer. The cost to record the Deed shall be paid by Buyer. Any closing fee charged by the Closing Attorney to close the transaction shall be paid by Buyer.

7. Risk of Loss and Condemnation. Risk of loss by damage or destruction to the Property after the Effective Date but prior to Closing shall be borne by Seller. In the event any damage or destruction is not fully repaired prior to Closing, Buyer, at its option, may either cancel this Agreement and receive a refund of the Deposit or elect to close the transaction, in which event Seller's right to all insurance proceeds not yet applied to repair of the damage or destruction shall be assigned in writing by Seller to Buyer at Closing. If all or any part of the Property is condemned or any condemnation action or proceeding is commenced prior to Closing, Buyer may, at its option, either (a) cancel this Agreement and receive a refund of the Deposit, or (b) complete the purchase, with all condemnation proceeds and claims being assigned to Buyer.

8. Taxes and Assessments.

8.1 Seller shall pay all valid delinquent real property taxes, water rates, sewer charges, assessments, special and otherwise, and other charges which are a valid lien against the Property as of the Closing Date. Current real estate taxes and current installments of special assessments, if any, shall be prorated on a due date basis to the date of Closing, in accordance with the local custom for the county in which the Property is located. Any federal, state and local documentary

or revenue stamps, transfer, sales and other taxes relating to the sale of the Property shall be paid by Buyer and/or Seller at Closing based on local custom for the county in which the Property is located and both parties agree to execute any tax forms required.

8.2 All net property tax refunds and credits attributable to any period prior to the Closing, if any, shall be the property of Seller. All net property tax refunds and credits attributable to any period subsequent to the Closing, if any, shall be the property of Buyer.

9. **Remedies for Default.**

9.1. In the event of a breach or default hereunder by Buyer, Seller may, after written notice of default to Buyer specifying the nature of such default(s) and the failure of Buyer to cure such default(s) within five (5) days after Buyer's receipt of such notice, declare a forfeiture hereunder and retain the Deposit as liquidated damages, the same to be Seller's sole remedy for any breach or default hereunder by Buyer. Seller waives any rights to consequential, special, punitive or other damages with regard to any claims under or related to the Property, this Agreement or the transaction described herein, whether in contract or tort, law or equity. Nothing herein shall limit Buyer's indemnity obligation pursuant to Paragraph 10 of this Agreement, which indemnity obligation shall survive termination of this Agreement or Closing.

9.2 In the event of a breach or default hereunder by Seller, Buyer may after written notice of default to Seller specifying the nature of such default(s) and the failure of Seller to cure such default(s) within five (5) days after Seller's receipt of such notice, terminate this Agreement and be entitled to an immediate refund of the Deposit, as Buyer's sole remedy for any breach or default hereunder by Seller. Buyer waives any rights to consequential, special, punitive or other damages with regard to any claims under or related to the Property, this Agreement or the transaction described herein, whether in contract or tort, law or equity.

10. **Right of Entry and Inspection.** At any time prior to the expiration of the Feasibility Period (as hereafter defined), with Seller's prior approval, not to be unreasonably withheld, conditioned or delayed, at Buyer's sole expense, Buyer or its authorized agents may enter upon the Property to inspect same. Buyer may select qualified professionals to make "**Inspections**" (including tests, borings, surveys, studies, inspections, investigations and interviews of persons familiar with the Property) concerning the Property, including but not limited to tests of structures, wells, septic tanks, underground storage tanks, soils, geologic hazards, utility lines and systems and environmental hazards (including Phase I and Phase II environmental assessments); provided that Buyer shall not conduct any soil borings or other physically invasive tests of the Property without Seller's prior written consent (which shall not be unreasonably withheld or delayed), and provided further that all Inspections shall be performed in a manner that shall not unreasonably interfere with the ongoing use of the Property by the Seller or the tenants. Buyer shall keep the Property free of any liens, and repair any material physical damages caused by Buyer, its agents, employees, contractors or subcontractors and restore the Property to its condition prior to Inspections. Buyer shall indemnify, defend and hold Seller harmless against all losses, damages, claims, demands and liabilities which may be suffered by or asserted against Seller by reason of Buyer's Inspections, which indemnity obligation shall survive termination of this Agreement or Closing.

11. **Brokerage Fees.** Seller and Buyer each represent that no broker is involved in the transaction contemplated under this Agreement and each party indemnifies the other against brokerage or commission claims arising out of the indemnifying party's actions. Dolph Farmer, principal of Buyer, is a real estate licensee under the law of South Carolina and is acting solely as a principal in this transaction and will not be due a commission relating to this transaction or this Agreement.

12. **Representations and Warranties.**

12.1 Seller hereby represents and warrants to Buyer that Seller has the power, right and authority to enter into and perform all of the obligations required of Seller under this Agreement and the instruments and documents referenced herein, and to consummate the transaction herein contemplated.

12.2 Buyer hereby represents and warrants to Seller that Buyer has the power, right and authority to enter into and perform all of the obligations required of Buyer under this Agreement and the instruments and documents referenced herein, and to consummate the transaction herein contemplated. Buyer has made and relied upon its own evaluation and decision to purchase the Property, and Buyer has not relied upon any oral or written information or statements from Seller, other than as expressly set forth in this Agreement.

13. **Feasibility Period.**

13.1. Buyer shall have a thirty (30) day period from and after the Effective Date (the "**Feasibility Period**") to satisfy the Conditions (as hereafter defined). At any time prior to the end of the Feasibility Period, Buyer may, for any reason in its sole and absolute discretion, cancel this Agreement by providing written notice thereof to Seller prior to the end of the Feasibility Period and receive a refund of the Deposit and neither party shall have any further obligation to the other except those that expressly survive termination. The term "**Conditions**" means (a) the Property is suitable to Buyer, in its sole and absolute discretion, for its intended use, and (b) Buyer is satisfied, in its sole and absolute discretion, with the Inspections.

13.2. In the event Buyer shall not provide notice of termination prior to the expiration of the Feasibility Period, then the Deposit shall be deemed nonrefundable and immediately released without further instruction from either Buyer or Seller, except in the case of a default by Seller hereunder, in which case the Deposit may be refunded pursuant to a termination of this Agreement by Buyer pursuant to Paragraph 9.2 hereof.

14. **Notices.** Any notice provided for in or permitted under this Agreement shall be made in writing and may be given or served by (a) delivering the same in person to the party to be notified, (b) depositing the same in the United States mail, postage prepaid, registered or certified with return receipt requested, and addressed to the party to be notified at the address herein specified, (c) sent by reputable overnight delivery services (such as Federal Express or United States Express Mail) or (d) sent by electronic mail (with confirmation sent by any of the means described in subparagraphs (a), (b) or (c) above). Notices given in accordance with any of the foregoing methods shall be effective when received (or service is refused). For the purpose

of notice, the address of the parties shall be, until changed, as set forth below. The parties shall have the right at any time to change their respective addresses and each shall have the right to specify as its address any other address by written notice to the other party.

If to Seller:

Linda Stone
Asset Manager
c/o Sabal Financial Group, L.P.
4675 MacArthur Court, Suite 1550
Newport Beach, CA 92660
email: linda.stone@sabalfin.com

If to Buyer:

Mariners Cay Fuel Dock LLC
Attn: Dolph Farmer
Phone: 843 270-7096
Email: dolph@charlestownepd.com

With a Copy To:

With a Copy To:

Ralph Carrillo
Escrow Coordinator
Sabal Financial Group, L.P.
4675 MacArthur Court, Suite 1550
Newport Beach, CA 92660
email: ralph.carrillo@sabalfin.com

[Name]
[Company]
Address
Address
email:

15. **No Third Party Beneficiary.** This Agreement shall not confer any rights, benefits or remedies upon any entities or persons other than the Buyer, Seller and their respective executors, heirs, administrators, successors and assigns.

16. **Time of Essence.** Time is of the essence of this Agreement.

17. **Entire Agreement.** This Agreement contains the entire agreement between Seller and Buyer, and there are no other terms, conditions, promises, undertakings, statements or representations, either written or oral or express or implied, concerning the sale contemplated by this Agreement.

18. **Headings.** The paragraph headings are for convenience of reference only and do not modify or restrict any provisions hereof and shall not be used to construe any provisions.

19. **Modifications and Waiver.** This Agreement may be amended only by an instrument in writing signed by both Seller and Buyer. This Agreement may be terminated only in accordance with the terms of this Agreement or by an instrument in writing signed by both Seller and Buyer. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, nor shall any waiver be a continuing waiver. Except as expressly provided in this Agreement, no waiver shall be binding unless executed in writing by the party making the waiver.

20. **Successors.** This Agreement shall inure to the benefit of and bind the parties hereto and their respective executors, heirs, administrators, successors and assigns. Buyer may not assign this Agreement without the prior written consent of Seller. No assignment shall relieve the assigning party from its obligations hereunder.

21. **Governing Law and Attorneys' Fees.** This Agreement shall be governed and enforced by, and construed in accordance with the laws of the state in which the Property is located. In the event either party hereto finds it necessary to employ legal counsel or to bring an action at law or other proceedings against the other party to enforce any of the terms, covenants or conditions hereof, the prevailing party in such action or proceeding shall be paid all reasonable attorneys' fees, as determined by the court and not the jury, and in the event any judgment is secured by such prevailing party, all such attorneys' fees shall be included in any such judgment in such action or proceedings.

22. **Computing Any Time Period.** Wherever this Agreement requires that something be done within a specified period of days, the period shall (a) not include the day from which the period commences, (b) include the day upon which the period expires, (c) expire at 5:00 p.m. local time on the day upon which the period expires and (d) unless otherwise specified in this Agreement shall be construed to mean calendar days, provided, that if the final day of the period falls on a Saturday or Sunday or legal holiday (limited to the day set aside by statute for observing New Year's Day, Martin Luther King Jr.'s Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, or Christmas Day), it shall be extended to first business day thereafter.

23. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, together, shall constitute one and the same instrument.

[signatures on the next page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER:

Emerald McDonough Road Holdings, LLC
a South Carolina limited liability company

By: Sabal Financial Group, L.P.,
Its Manager

By: _____

Name: _____

Its: _____

BUYER:

Mariners Cay Fuel Dock LLC
a Sole Limited Liability Company

By: George A. Farmer Jr.

Name: George A. Farmer Jr.

Its: Sole Member

EXHIBIT A

LEGAL DESCRIPTION

[TO BE PROVIDED WITH TITLE COMMITMENT]

CONTACT SHEET

Closing Attorney:

Mark Weeks
873 Orleans Rd #102
Charleston, SC 29407
Phone: (843) 576-0547
Email: mweeks@weekslawfirm.net

Seller Attorney:

James M. Allison, P.A.
Attention: Bridget Klebe
109 East North Street
Greenville, SC 29604
Phone: 864-271-2656
Email: bjklebe@allisonlaw.biz

Seller:

Emerald McDonough Road Holdings, LLC
c/o Sabal Financial Group
Attn: Linda Stone
4675 MacArthur Court, 15th Floor
Newport Beach, CA 92660
Phone: 626 510-1326
Email: linda.stone@sabafin.com

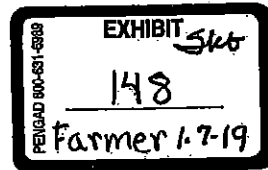
Buyer:

Mariners Cay Fuel Dock LLC
Attn: Dolph Farmer
Phone: 843 270-7096
Email: dolph@charlestownepd.com

Seller's Closing Coordinator:

Sabal Financial Group
Attn: Ralph Carrillo
4675 MacArthur Court, 15th Floor
Newport Beach, CA 92660
Phone: 949 517-0815
Email: ralph.carrillo@sabafin.com

ROA 2874



**FIRST AMENDMENT TO
PURCHASE AND SALE AGREEMENT**

THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT ("Amendment") is dated as of April 28, 2016, by and between Emerald McDonough Road Holdings, LLC ("Seller"), and Mariners Cay Fuel Dock LLC ("Buyer").

R E C I T A L S :

- A. Seller and Buyer have previously entered into that certain Purchase and Sale Agreement made as of March 21, 2016 (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Agreement.
- B. Buyer and Seller desire to amend the Agreement in certain respects, as hereinafter provided.

A G R E E M E N T :

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements contained in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree to amend the Agreement as follows:

1. Extension of Feasibility Period. Notwithstanding anything to the contrary set forth in the Agreement, the Feasibility Period is hereby extended to May 24, 2016.
2. Deposit. No later than May 1, 2016, Buyer shall deposit with the Closing Attorney by wire transfer an additional Two Thousand 00/100 Dollars (\$2,000.00) so that the total Deposit shall be Three Thousand 00/100 Dollars (\$3,000.00). Notwithstanding anything to the contrary set forth in the Agreement or this Amendment, the Deposit is hereby immediately nonrefundable and applicable to the Purchase Price at Closing. Buyer and Seller each hereby expressly authorize and direct the Closing Attorney, without further instructions or approvals from either Buyer or Seller, to immediately release the Deposit to Seller.
3. Extension of Closing Date. Notwithstanding anything to the contrary set forth in the Agreement, the Closing Date is hereby extended to May 31, 2016, or any earlier date to which Buyer and Seller mutually agree in writing.
4. Miscellaneous.
 - a. Effect of Amendment. Except to the extent the Agreement is modified by this Amendment, the remaining terms and conditions of the Agreement shall remain unmodified and in full force and effect. In the event of conflict, between the terms and conditions of the Agreement and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall prevail and control.

b. Entire Agreement. The Agreement, together with this Amendment, embodies the entire understanding between Seller and Buyer with respect to its subject matter and can be changed only by an instrument in writing signed by Seller and Buyer.

c. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which, taken together, shall constitute one in the same Amendment. A signed counterpart that is transmitted by facsimile or in PDF format shall be treated in all manners and respects as an original Amendment or signature page.

d. Authority. Each individual executing this Amendment on behalf of Buyer and Seller represents that he or she is duly authorized to execute and deliver this Amendment on behalf of Buyer or Seller, as applicable, and that this Amendment is binding upon the parties.

IN WITNESS WHEREOF, this Amendment has been executed as of the day and year first set forth above.

SELLER:

Emerald McDonough Road Holdings, LLC
a South Carolina limited liability company

By: Sabal Financial Group, L.P.

Its:
Manager

By: _____

Name: _____

Its: _____

BUYER:

Mariners Cay Fuel Dock, LLC,

a _____

By: George A. Farney

Name: George A. Farney

BBT 1219.0019

Mariner's Cay Marina Condo LLC and Mariner's Cay Fuel Dock LLC

Weeks & Irvine Subpoena Response Documents

8612

ROA 2876

QUALIFICATIONS OF THE APPRAISER

HAROLD O. MATHISEN III

SC STATE CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER #CR 739

EDUCATION

1984-1987: Bishop England High School, Charleston, SC
1988-1991: The Citadel Military College of South Carolina
BS in Business Administration

SPECIAL REAL ESTATE APPRAISAL EDUCATION

07/09: Real Estate Appraising Principals 1A-1
08/91: Applied Residential Valuation
05/92: Basic Valuation Procedures 1A-2
07/93: Advanced Residential Form and Narrative Report Writing 500
03/96: Standards of Professional Practice, Parts A & B
05/01: Standards of Professional Practice USPAP-Part C
02/13: Standards of Professional Practice USPAP
02/16: Standards of Professional Practice USPAP

SEMINARS

01/09: SC Real Property Reform Act of 2006
10/08: FHA and the Appraisal Process
09/08: Risk Reduction: International Business Factors Affecting Local Markets
04/08: Appraising Historic South Carolina Homes
01/08: Analyzing Distressed Real Estate
06/14: Appraisal Institute: Data Verification Methods
06/16: Appraisal Institute: Thinking Outside the Box
06/16: Appraisal Institute: New Technology for Real Estate Appraisers

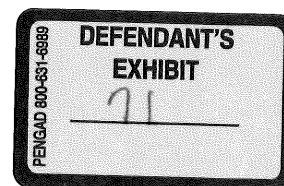
LICESNSES, AFFILIATIONS & COMMUNITY SERVICES

South Carolina State Certified Residential Real Estate Appraiser CR 739
South Carolina Real Estate Agent
Appraisal Institute Candidate – Affiliate
The Citadel Club of Charleston – 2004 President

EMPLOYMENT

2004 – Present: Owner/Partner, Charleston Area Appraisals
1992-2004: Independent Fee Appraiser – Appraisal Consultants, Inc.
1991: Charleston Appraisal Service – Internship
1989-1990: Charleston County Assessor's Office – Data Collector

ROA 2877





LIA Administrators & Insurance Services

APPRAISAL, VALUATION AND PROPERTY SERVICES
PROFESSIONAL LIABILITY INSURANCE POLICY
DECLARATIONS



ASPEN

Aspen American Insurance Company

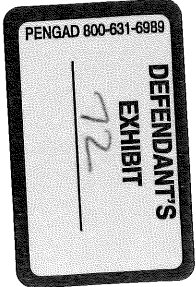
(Referred to below as the "Company")
590 Madison Avenue, 7th floor
New York, NY 10022
877-245-3510

Date Issued: 4/13/2021 Policy Number: AAV008598-07 Previous Policy Number: AAV008598-06

THIS IS A CLAIMS MADE AND REPORTED POLICY. COVERAGE IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND THEN REPORTED TO THE COMPANY IN WRITING NO LATER THAN SIXTY (60) DAYS AFTER EXPIRATION OR TERMINATION OF THIS POLICY, OR DURING THE EXTENDED REPORTING PERIOD, IF APPLICABLE, FOR A WRONGFUL ACT COMMITTED ON OR AFTER THE RETROACTIVE DATE AND BEFORE THE END OF THE POLICY PERIOD. PLEASE READ THE POLICY CARTRIDGE.

1. Customer ID: 154039 Named Insured: CHARLESTON AREA APPRAISALS, LLC 246 Marlin Hwy Rd., Suite 200 Mount Pleasant, SC 29464	
2. Policy Period: From: 04/26/2021 To: 04/26/2022 1201 A.M.L. Standard Time at the address stated in 1 above.	
3. Deductible: \$2500 Each Claim	
4. Retroactive Date: 04/26/2005	
5. Inception Date: 04/26/2015	
6. Limits of Liability: A. \$1,000,000 Each Claim B. \$2,000,000 Aggregate Subpoena Response: \$5,000 Supplemental Payment Coverage Pre-Claim Assistance: \$5,000 Supplemental Payment Coverage Disciplinary Proceedings: \$12,500 Supplemental Payment Coverage Loss of Earnings: \$500 per day Supplemental Payment Coverage	
7. Covered Professional Services (as defined in the Policy and/or by Endorsement):	<p>Real Estate Appraisal and Valuation: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Residential Property: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Commercial Property: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Bodily Injury and Property Damage Caused: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>Right of Way, Easement and Relocation: Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>During Appraisal Inspection (\$100,000 Sub-Limit): Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Machinery and Equipment Valuation: Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Personal Property Appraisal: Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Real Estate Sales/Brokerage: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p> <p>If "yes", added by endorsement: <input type="checkbox"/></p> <p>If "yes", added by endorsement: <input type="checkbox"/></p> <p>If "yes", added by endorsement: <input type="checkbox"/></p>

State of South Carolina BCD
Department of Labor, Licensing and Board Affairs
Real Estate Appraisers Board
BAROELD G. MATTHESEN III
Is hereby entitled in practice as a:
Certified Residential Appraiser
License Number: 739
Expiration Date: 06/30/2022
ROCKET CARD
Administrator



ROA 2878

October 18, 2022

VIA OVERNIGHT DELIVERY
The Honorable Jenny Abbott Kitchings
South Carolina Court of Appeals
1220 Senate Street
Columbia, SC 29211

RECEIVED
OCT 19 2022
SC Court of Appeals

*RE: Elizabeth Heatley v Mariners Cay Marina Condo, LLC et al.,
C/A No.: 2017-CP-10-3099 Client File No.: 1219.0019*

Dear Ms. Kitchings:

Enclosed please find an original and one (1) copy of the following in the above-referenced matter:

1. Notice of Appeal with attached Orders of the Honorable Mikell R. Scarborough.
2. Proof of Service; and
3. Our firm's check in the amount of \$250.00 for the filing fee.

Please file the original and return the filed-stamped copies to me in the enclosed envelope. By copy of this letter, I am serving same upon The Honorable Mikell R. Scarborough, Master in Equity for Charleston County, The Honorable Julie Armstrong, Clerk of Court for Charleston County, and opposing counsel, Capers G. Barr, III, Esquire and David C. Cleveland, Esq.

Should you have any questions, please feel free to contact me. With kindest regards, I remain

Yours very truly,



G. Hamlin O'Kelley, III

GHOIII/atd

Enclosures

Cc: Capers G. Barr, III, Esq.
David C. Cleveland, Esq.
Kevin W. Mims, Esq.
Whidbee S. Perrin, Esq.
The Honorable Mikell R. Scarborough
The Honorable Julie Armstrong (Via SC E Filing Portal)

ROA 2879

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

RECEIVED

OCT 19 2022

SC Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Mikell R. Scarborough

Case No. 2017-CP-10-03099

Elizabeth Heatley, Neal B. McCann, Jr., David Neil Monk, Thomas V.
Bessent, and Mariners Cay Marina Council of Co-Owners, Inc.,..... Respondents,
v.

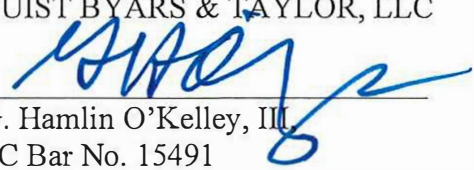
Mariners Cay Marina Condo, LLC and Mariners Cay Fuel Dock, LLC, George A.
Farmer, Jr., and, are the..... Appellants.

NOTICE OF APPEAL

Mariners Cay Marina Condo, LLC, Mariners Cay Fuel Dock, LLC, and George A.
Farmer, Jr appeal the Orders of The Honorable Mikell R. Scarborough, copies of which
are attached hereto, dated May 16, 2022 and September 22, 2022, which the Appellants
received written notice of on September 22, 2022.

Mt. Pleasant, South Carolina
October 19, 2022

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*Attorneys for the Defendants Mariners Cay
Marina Condo, LLC and George A. Farmer,
Jr.*

Attorneys for the Appellants

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
)
Elizabeth Heatley, Neal B. McCann,)
Jr., David Neil Monk, Thomas V.)
Bessent, and Mariner's Cay Marina)
Council of Co-Owners, Inc.)
)
Plaintiffs,)
)
vs.)
)
Mariner's Cay Marina Condo, LLC)
and Mariner's Cay Fuel Dock, LLC,)
George A. Farmer, Jr., and South)
Atlantic Bank)
)
Defendants)
)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2017-CP-10-3099

**ORDER
GRANTING DECLARATORY
RELIEF**

RECEIVED
OCT 19 2022
SC Court of Appeals

This case was tried before me on March 22 and 23, 2022. Plaintiffs appeared with their attorneys, Capers G. Barr, III and Capers G. Barr, IV of the firm Barr, Unger & McIntosh, LLC; and Tyler E. Cloud of the firm Clawson and Staubes also made his appearance. Defendants appeared with their attorneys G. Hamlin O'Kelley, III of the firm Buist, Byars and Taylor and Whidbee S. Perrin of the firm Luzuriaga Mims, LLP.

Based upon the testimony of the witnesses, the deposition designations, the exhibits offered in evidence, the briefings of counsel and their arguments, I make the following findings of fact and reach the following conclusions of law:

INTRODUCTION.

Plaintiffs in this case seek declaratory relief under the South Carolina Uniform Declaratory Judgments Act, Sections 15-53-10 *et seq.*, of the Code of Laws of South Carolina, to confirm and restore their title interests in certain common elements of a horizontal property regime, Mariner's Cay Marina. Plaintiffs allege that the Declarant under the Master Deed creating the regime

wrongfully converted common elements to individual units after Plaintiffs had acquired vested title interests in those common elements. The Defendant LLC's are the purported purchasers of the disputed property. Defendants contend that they hold good title as bona fide purchasers for value without notice; and that in any event Plaintiffs' claims are barred by the doctrine of judicial estoppel.

The case evokes an observation made by the Florida Court of Appeals in an often-cited opinion: "*Condominium unit owners comprise a little democratic sub society of necessity more restrictive as it pertains to use of condominium property than may be existent outside the condominium organization.*" (*Hidden Harbor Estates, Inc vs Norman*, 309 So.2d 180, [Ct.App. Fla. 1975].)

PROCEDURAL HISTORY

The original plaintiffs in this case are owners of boatslip units in the Mariner's Cay Marina Horizontal Property Regime. They filed their summons and complaint on June 16, 2017 seeking declaratory relief, and also seeking monetary damages for the alleged tortious acts of the individual Defendant Farmer. An amended summons and complaint was filed July 21, 2017.

Plaintiffs' original complaint sought class action certification, inasmuch as the lawsuit sought relief on behalf of all 88 boatslip unit owners at Mariner's Cay Marina. By order dated June 12, 2019 the circuit court denied class certification.

On June 6, 2020 Plaintiffs filed their fourth amended complaint wherein the four individual Plaintiffs named in the above caption seek declaratory judgment from this Court in their own rights, and also in the interests of all similarly situated boat slip owners. The Defendants timely filed their answer, counterclaim, and third party complaint. (The third party complaint has since been voluntarily dismissed.)

On December 14, 2020 the circuit court referred the declaratory relief issues to this Court for final adjudication, reserving to the circuit court, however, the claims between the parties for damages.

FINDINGS OF FACT

The Mariner's Cay Marina (the "Marina") is located on the north shore of the Folly River in Charleston County. The Marina consists of 90 boat slips and their associated docks, walkways and piers, a boat landing, and a building referred to in this case, and in recorded documents, as the "Ship's Store Building".

The Marina was constructed on an alienable easement in perpetuity created under the Master Deed for Mariner's Cay Racquet and Yacht Club, recorded May 12, 1982. After the Marina was constructed in the 1980s, it leased out 88 of the 90 boat slips to private owners. The two remaining boat slips were used as fuel docks for boat refueling, and are also the location of a waste water pump-out station for the purpose of removing waste water from boats, by pumping into a public sanitary disposal system, as required by the Marina's permit from the Office of Coastal Resource Management ("OCRM").

Whereas the docks, walkways and piers of the marina are constructed on pilings in the waters of the Folly River, the Ship's Store Building is constructed on pilings in the marsh and high ground adjacent to the docks, walkways and piers. The Ship's Store Building is an elevated, frame two story structure. At ground level below the building, in addition to storage space, is located the pump that drives the wastewater disposal system. Also located on the high ground adjacent to the Ship's Store Building is an underground storage tank for the storage of boat fuel. In the elevated, first floor level of the building there are two restrooms, one designated for men and the other for

women. The men's restroom contains a toilet, a urinal, a sink, and a shower; and the women's restroom contains two toilets, a sink, and a shower; as required by the Marina's permit from OCRM

Marina operations in South Carolina are regulated and permitted by the office of Coastal Resources Management (hereinafter "OCRM"), a division of the state Department of Health and Environmental Control (DHEC). OCRM regulations require, for the issuance of a permit for marinas of the size involved in this case, separate men's and women's bathrooms with at least the toilet, urinal and sink components of those provided by Mariner's Cay. OCRM regulations also require that a marina provide wastewater pump-out capabilities such as those provided at Mariner's Cay. Thus, the restrooms and the wastewater pump-out system at Mariner's Cay Marina are conditions required for the issuance and continuance of the Marina's operating permit.

OCRM regulations also require that "an experienced operator" be present and in charge of the Marina and its operation. From the time of its construction in the 1980s until 2016, when the issues in this case came to a head, that operator known as the Dockmaster at Mariner's Cay Marina occupied and controlled the Ship's Store Building; where he maintained his office and kept and stored books and records required by OCRM regulations to be kept on the premises; and where he utilized a VHF radio to regularly communicate with boat operators. Also stored on the first floor level, or under the Ship's Store, were booms, absorbent pads and other emergency equipment required by the OCRM permit to be kept in the case of emergencies relating to fuel spills.

The Ship's Store Building, on its first-floor level, also included, from time to time, retail sales of marine supplies, bait, fishing tackle and food stuffs; although retail use apparently discontinued sometime around 2010.

I. Creation of the Horizontal Property Regime; the 2006 Master Deed

In 2006 the then-operator of Mariner's Cay Marina renovated the Marina and reorganized the property to form a horizontal property regime ("HPR") under the South Carolina Horizontal Property Act, Sections 27-31-10, *et seq.*, of the South Carolina Code of Laws. A Master Deed was recorded May 18, 2006 (the "2006 Master Deed") wherein 88 of the 90 boat slips were designated as "units" (the equivalent of "apartments" in a residential HPR), capable of individual ownership, as described in the 2006 Master Deed, Article VI.¹ The Common Elements of the HPR, described in Master Deed Article VII (e) included the Ship's Store Building, the first floor of which was designated Commercial Unit-1A and the second floor designated as Commercial Unit-1B. The two fuel docks were designated as a Common Element known as Commercial Unit 2. The required, separate men's and women's restroom facilities, are located on the first floor of the Ship's Store Building, Commercial Unit 1-A.

Consistent with the Horizontal Property Act, Article X Section 10.1 of the 2006 Master Deed provides that, subject to the Master Deed and By-Laws, a co-owner of a boat slip unit shall also have "an undivided ownership interest according to the Unit's percentage interest in the Common Elements..."

The 2006 Master Deed also provides, in Article XII Section 16.1, "Amendments," subsection (b) that for as long as the Declarant has the right to appoint and remove directors of the Council of Co-Owners as provided in the Master Deed, the Declarant may unilaterally amend the Master Deed for any purpose, but with the proviso: "However, any such amendment shall not adversely affect the title to any unit unless the owner shall consent in writing." (emphasis added).

¹ These units are often referred to as "dockominiums."

Under the 2006 Master Deed, the Declarant reserved the right to appoint and remove directors, pursuant to Article XII, Section 12.3, until either 18 months passed or the sale of 90% of the units, whichever occurred first.

Between the recording date of the 2006 Master Deed on May 18, 2006, and March 19, 2007, a total of thirty-nine boat slips were sold. During that same period between May 18, 2006 and March 19, 2007, the individual Plaintiffs in this case each acquired their title interests to their boat slips, “together with an undivided interest in the appurtenant common elements”, as follows: Elizabeth Heatley, boat slip unit D-08 on August 15, 2006; Neal B. McCann, boat slip unit B-17 on March 6, 2007; David Neil Monk, boat slip unit B-17 on March 12, 2007; and Thomas V. Bessent, boat slip unit D-1 on August 18, 2006.

The 2007 Amended Master Deed

On March 19, 2007, the Declarant unilaterally signed and recorded an amended Master Deed. (The “2007 Master Deed”). The 2007 Master Deed was recorded without notice to, or the vote of, any of the then thirty-nine boat slip unit owners, including the Plaintiffs, who had purchased boat slip units under the 2006 Master Deed. (emphasis supplied).

However, notwithstanding the proviso of Article XII, Section 16.1 of the 2006 Master Deed, and unknown to the Plaintiffs until later, the 2007 Master Deed divided, separated, and reallocated the Common Elements of the Horizontal Property Regime, by converting the two commercial units CU1-A and CU1-B, comprising the Ship’s Store Building, from Common Elements to individual units; and also by likewise converting the two fuel dock boat slips, unit CU-2 into individual units, capable of being privately owned.

Thereafter, the two Fuel Docks and the Ship’s Store Building were conveyed by the declarant and subjected to mortgages. However, the testimony at trial was that no individual

Plaintiff was aware of the Master Deed's purported conversion of the common elements to individual units. Moreover, the individual Plaintiffs testified that nothing was changed, "on the ground." The fuel docks remained open for use by all boat operators for wastewater pump-out, and at least for a time they provided refueling services. The Dockmaster continued to occupy and to control the Ship's Store Building as his office where files and equipment were stored, and from which he continued to communicate with boat operators via VHF radio.

The Ship's Store Building and decks continued to be a focal point for social activities by boat holders, and regular meetings of the Council of Co-Owners and its Board of Directors continued to be held there.

The individual Plaintiffs in this case learned over time, and to different extents, that the 2006 Master Deed had been amended by the 2007 Master Deed. Because conditions on the ground remained unchanged from 2007 until 2016, none of them appeared to appreciate or understand that the Common Elements to which they held undivided title interests had been alienated, contrary to those title interests, until they were displaced in or about October of 2016, as hereafter discussed.

An action was filed in this court on February 12, 2013 by First South Bank against Tiger River Capital, LLC and others, seeking the foreclosure of mortgages on the commercial units of the Ship's Store (CU 1-A and 1-B) and on the fuel docks (designated as units C-21 and C-22). None of the individual Plaintiffs in this case were named parties to the foreclosure. Plaintiff Mariner's Cay Marina Council of Co-Owners was named as a party, because of two liens it had filed against the property in July of 2010, as a result of past due assessments.

On March 16, 2015 this court filed its order of judgment and foreclosure, directing that the properties be sold. By deed recorded October 14, 2015 this court conveyed the properties here at issue to Emerald Portfolio, LLC; which were thereafter quit-claimed to Emerald McDonough Road

Holdings, LLC. By deeds recorded May 24, 2016 and May 25, 2016, respectively, Emerald McDonough Road Holdings, LLC conveyed the properties to the Defendants Mariner's Cay Marina Condo, LLC (the Ship's Store Building and the two Commercial Units), and to Mariner's Cay Fuel Dock, LLC (the Fuel Docks).

The Defendant George A. Farmer is the single member of the two LLC Defendants, Mariner's Cay Marina Condo, LLC and Mariner's Cay Fuel Dock, LLC. On or about October 1, 2016 the LLC Defendants, through Mr. Farmer, took possession of the Ship's Store Building and the Fuel Docks, displacing the then-Dockmaster, Ed Geiger. Since then, Mr. Geiger and subsequent Dockmasters have had no fixed station at the Marina from which to operate. Books, papers and records relating to Marina operations, which are required by OCRM to be maintained on site, are stored in a storage unit located approximately three miles from the Marina.

This action was commenced June 16, 2017, eight months following the taking of possession by the LLC Defendants of the disputed properties.

Mr. Farmer presently occupies the second floor of the Ship's Store as his residence. He utilizes the first floor for "family," who also share the men's and women's restrooms with boat-slip unit owners of the Marina. His LLC also leases out the two Fuel Docks to private boatowners for compensation.

Orders have been filed by the circuit court in this case following two applications for injunctive relief. One order², relating to the Fuel Docks, directs a "sharing" procedure of those spaces, whereby boat-slip owners of the Marina may utilize the wastewater pump-out system by notifying Mr. Farmer, who arranges with his boat-slip tenants to move the boat docked there in order to permit access to the pump-out. The testimony at trial was that the process is too

² Order of Judge J.C. (Buddy) Nicholson, Jr. filed Dec. 6, 2017.

cumbersome to be of any use, and that boat-slip owners of the Marina take their boats elsewhere for pump-out.

Likewise, injunctive relief was sought during the Covid sequestration to open the restrooms for boat-slip owners, resulting in an order of the circuit court to open the restrooms only during limited, daily hours.³ Prior to Covid, the restrooms had been open to boat-slip owners 24 hours a day, seven days a week, with no limitations. The unlimited open hours of the restrooms had applied from 2006 until 2019, notwithstanding the Master Deed's stated policy fixing the open hours of the restrooms.

Tom Bessent, the immediate past president of the Council of Co-Owners, testified that OCRM was aware of the constraints on the Marina's wastewater pump-out capabilities, and restroom accessibility, and further informed him they were "awaiting the outcome" of this case.

CONCLUSIONS OF LAW

The concept of condominium ownership of real property is codified in South Carolina in the "Horizontal Property Act", Sections 27-31-10, *et seq* of the South Carolina Code of Laws. The statute has been amended over time to encompass the horizontal ownership of "moorage of a boat" as a form of "apartment" under the Act. See Section 27-31-20(a). Under the same Code Section, subsection "(c)" defines "Condominium ownership" as "the individual ownership of a particular apartment of a building (which is also to say, a boat-slip in a marina) and the common right to a share, with other co-owners, in the general and limited common elements of the property".

Code Section 27-31-60(a) provides in part in its first paragraph: "An apartment owner shall have the exclusive ownership of his apartment and shall have a common right to a share, with the

³ Plaintiffs' Motion was filed June 22, 2020.

other co-owners, in the common elements of the property, equivalent to the percentage representing the value of the individual apartment, with relation to the value of the whole property. This percentage shall be computed by taking as a basis the value of the individual apartment in relation to the value of the property as a whole.” (More discussion about the remainder of this Section follows.)

It is clear therefore, and I find and conclude as a matter of law, that upon the acquisition of their boatslip units at Mariner’s Cay Marina, the individual Plaintiffs in this case acquired, in addition to absolute, vested title interests in their boatslip units, undivided vested title interests in common with all of the other boatslip unit owners in the common elements of the regime property, including but not limited to the Ship’s Store Building and the Fuel Docks; designated as Commercial Units 1-A, 1-B, and 2 in the 2006 Master Deed.

1. S.C. Code of Laws Section 27-31-70.

A unit owner’s vested title rights in the common elements of a Horizontal Property Regime are fixed and sacrosanct. Code Section 27-31-70 provides: “Common Elements Shall Not Be Divided. The common elements, both general and limited, shall remain undivided and shall not be the object of an action for partition or division of the co-ownership. Any covenant to the contrary shall be void.”

In the seminal case of *Reyhani v. Stone Creek Cove Condo II Horizontal Property Regime*, 329 S.C. 206, 494 S.E.2d 465 (Ct. App. 1997), the Court of Appeals held that “once common elements are set aside and vested in the co-owners, such co-owners may not be unilaterally deprived of their interests in the common elements by the actions of the developer.” 329 S.C. at 211, citing Code Section 27-31-70.

Reyhani, just like the Defendants in this case, was the purchaser of HPR land from NCNB after it had been foreclosed. The central issue in the case was whether Mr. Reyhani could develop a 1.076-acre parcel, and whether the parcel was a common element of the HPR. The defendant parties in the case were property owners and the homeowner's association. The trial court ruled in Reyhani's favor, holding that he had the right to develop the disputed property.

Just as the Defendants in this case argue that the Plaintiffs "acquiesced" to the amended 2007 Master Deed, Mr. Reyhani pointed to the fact in his case that the homeowners association board "was aware of the transfer of the property to him and acknowledged the same". In effect, although not using the term, arguing that the association, and therefore its members, had "acquiesced" to the transaction.

The Court of Appeals reversed the trial court, holding, as stated above, that once common elements are vested in co-owners, they may not be unilaterally deprived of their interests by the actions of the developer. Moreover, the Court of Appeals held that, whereas the homeowner's association may have assented to an agreement that Reyhani could develop the property, it "was not assented to by the condominium owners". 329 S.C. at 214. This court concludes, as a matter of law, that a homeowners association may not commit or bind the individual title rights and interests held by an individual unit owner.

The sanctity of a unit owner's vested interest in the common elements of an HPR is further affirmed in the decisions of *Eagle Lake & Golf Condo* cases, *Resolution Trust Corporation vs. Eagle Lake Golf & Condos*, 310 S.C. 473, 427 S.E.2d 646 (1993) (the "*RTC Case*"); and *Heritage Federal Savings & Loan Assn vs Eagle Lake & Golf Condos*, 318 S.C. 535, 458 S.E.2d 561 (Ct. App. 1995) (the "*Heritage Federal Case*"). In the *RTC Case*, the Supreme Court affirmed the

provisions of Code Section 27-31-230(a): “[N]o lien arising subsequent to recording the Master Deed ...shall be effective against the property.” 310 SC at 476.

In the *Heritage Federal Case*, the Court of Appeals held that because the clubhouse of the regime was a common element, “it may not be sold as a separate property of the mortgagor in foreclosure.” Indeed, the facts of the case presently before this Court are similar. Here, a former common element was converted to a private unit in contravention of Code Section 27-31-70 and in contravention of the plain language of the 2006 Master Deed. It was subsequently sold, and thereafter was foreclosed; and the foreclosure sale became the foundation for the taking of title by the LLC Defendants in this case.

In this case, I conclude as a matter of law that the amended 2007 Master Deed, by converting common elements to individual units after vested title interests in the common elements had been conveyed to thirty-nine boat-slip unit owners including the four Plaintiffs, is a “covenant to the contrary,” squarely contravening the proscription of Section 27-31-70 that common elements may not be divided, “...any covenant to the contrary shall be void.” Just as in *Reyhani*, the statute providing that common elements shall not be divided is controlling.

This Court is not unfamiliar with the import of Section 27-31-70, having applied *Reyhani* and Code Section 27-31-70 in its decision in *Rivers Point Row, et al. v. Palms Property, et al.*, Case Number 2008-CP-10-2279, affirmed at 2013-UP-458 (Ct. App.12/11/2013).

I conclude as a matter of law that the individual Plaintiffs acquired vested title interests in the Ship’s Store Building and its two apartments, CU-1 and CU-2, and the Fuel Docks, CU-2, as common elements. The 2007 Master Deed, to the extent that it divests the individual Plaintiffs of their vested title rights in the Ship’s Store Building and the Fuel Docks, is void as it did not obtain their written consent as required by the terms of the 2006 Master Deed at Art. XII, Sec. 16.1.

2. S.C. Code of Laws Section 27-31-60; acquiescence.

The Defendants' central argument in this case is that, notwithstanding the language of Section 27-31-70, and the holding of the Court of Appeals in *Reyhani*, because of the Plaintiffs' "acquiescence" their title interests in the common elements here at issue were forfeited, relying upon the second paragraph of Code Section 27-31-60.

The second paragraph of Section 27-31-60 provides: "The percentage (interest in the common elements) shall be expressed at the time the horizontal property regime is constituted, shall have a permanent character, and shall not be altered without the acquiescence of the co-owners representing all the apartments of the property." (Emphasis added.)

Defendants argue that Section 27-31-60's provision that the relative percentage interests of units may be altered by "acquiescence," should operate in this case to divest Plaintiffs of their entire undivided title interests in the common elements. The argument that "acquiescence" may divest property owners of their complete, vested title rights to common elements conflicts squarely with Code Section 27-31-70's plain admonition that "*common elements may not be divided.*" On one hand, Section 27-31-70's admonition is plain and clear, that common elements may not be divided and that "any covenant to the contrary shall be void." On the other hand, Defendants argue that "acquiescence" under Section 27-31-60 can divest an owner of his vested title rights.

I conclude that the import of Section 27-31-60 is to define the relative property interests of apartment owners with respect to each other, and with respect to the common elements of a horizontal property regime, as a percentage value, and nothing more. There is no language in 27-31-60 that could reasonably be construed to support the argument that an apartment owner might forfeit the entirety of his or her property interests by "acquiescence". Rather, the term, "acquiescence" modifies only the phrase, "The percentage...shall not be altered without the

acquiescence of the co-owners representing all the apartments of the property”. (Emphasis added.) No reasonable construction of the emphasized terms, above, could substitute the term “forfeited” for the term “altered”. Yet, that is the conclusion urged by Defendants.

Moreover, not only was there no evidence that the four individual Plaintiffs had “acquiesced”, nor was there any evidence that “all” co-owners had acquiesced.

Defendant’s interpretation of Section 27-31-60 cannot be reconciled with the clear proscriptive provisions of Section 27-31-70. On the one hand, although 27-31-70 provides that any covenant purporting to alienate a unit owner’s vested interests in common elements would be void; yet the position is urged that what could not be accomplished by “covenant” may nevertheless be accomplished by mere “acquiescence.” This court concludes that this statutory construction of 27-31-60 cannot be reconciled with the language of statute 27-31-70.

The position urged upon the Court by the Defendant parties reads a conflict between Sections 27-31-60 and Section 27-31-70 where none exists. *c.f. Hodges v. Rainey*, 341 S.C. 79, 88, 533 S.E.2d. 578, 583 (2000). (Statutes dealing with the same subject matter must be reconciled, if possible, so as to render both operative. *Id.* at 341 S.C. 91, 533 S.E.2d 584.) The goal of statutory construction is to harmonize conflicting statutes whenever possible and to prevent an interpretation that would lead to a result that is plainly absurd. *Charleston County Assessor v. Universal Ventures, LLC*, 427 S.C. 273, 285, 831 S.E.2d. 412 (2019).

In this case an absurd result would occur if, on the one hand a condominium unit owner could be divested of a title interest in a common element by his mere acquiescence but, on the other hand, the same owner could not be divested of the same vested title interest were it to be accomplished by an express covenant.

The Code Sections may be reconciled by the construction previously stated. Sections 27-31-60's reference to "acquiescence" applies narrowly, and only to the calculation of a unit owner's percentage interest in relation to the value of the whole property. It does not apply to the quality of the underlying title to the property itself. The title interest remains sacrosanct; however, its relative value as a percentage of the regime as a whole may be subject to change where all unit owners acquiesce in the change.

3. Judicial Estoppel.

Defendants also argue that Plaintiffs' claims are barred by the principle of judicial estoppel, arising from the 2013 foreclosure case recited in the Court's findings of fact.

Judicial estoppel is an equitable concept that prevents a litigant from asserting a position inconsistent with, or in conflict with, one the litigant has previously asserted in the same or related proceedings. *Cothran v. Brown*, 357 S.C. 210, 592 S.E.2d 629 (2004). In *Cothran*, the Supreme Court adopted the following elements necessary for the doctrine of judicial estoppel to apply:

- (1) two inconsistent positions taken by the same party or parties in privity with one another;
- (2) the positions must be taken in the same or related proceedings involving the same party or parties in privity with each other;
- (3) the party taking the position must have been successful in maintaining that position and have received some benefit;
- (4) the inconsistency must be part of an intentional effort to mislead the Court; and
- (5) the two positions must be totally inconsistent.

357 S.C. at 215, 216.

The "position" taken by the Individual Plaintiffs in this case is that their vested title interests were wrongfully and unlawfully divested of them by the unilateral actions of the Declarant in amending the Master Deed, thereby attempting to convert common elements to individual units in contravention of the statute, the case law, and the terms of the 2006 Master Deed.

None of the five elements of judicial estoppel as required in *Cothran* are found in this case. Most fundamentally, none of the four individual Plaintiffs in this case were parties to the first case, the foreclosure case. Therefore, it cannot be concluded that they took a position in the foreclosure case at all; much less that a so-called inconsistent position in the prior case was successful. Neither can it be suggested that the individual Plaintiffs, Elizabeth Heatley, Neal B. McCann, Jr., David Neil Monk, or Thomas V. Bessent acted in any way “to mislead the Court.” No evidence is presented that they acted in any way to mislead anyone - certainly not this Court.

The defense also cannot be supported by the fact that the Council of Co-Owners was a party to the foreclosure. In the first place, as this court has previously held, the Council of Co-Owners cannot act to bind, commit, or prejudice an individual unit owner’s vested title interests in the owner’s unit, or his percentage interests in the common elements. Moreover, there is no evidence that the Council of Co-Owners in the foreclosure case, or in this case, have acted in any way that would prove the requisite elements of judicial estoppel as pronounced in *Cothran*.

I find and conclude that the defense of judicial estoppel has not been proved.

4. Ultimate Conclusions.

Two unambiguous legal principles guide the Court’s ultimate conclusions in this case. They are open, obvious, and apparent in the chain of title to the properties at issue:

The first principle is expressed in the 2006 Master Deed, which was amended in contravention of its own terms. The 2006 Master Deed plainly states in its Article XII, Section 16.1 that, whereas the Declarant could unilaterally amend it, he was prohibited from amending it to “adversely affect the title to any Unit unless the Owner shall consent in writing.”

The construction of an unambiguous deed is a question of law, not fact. *Walters vs. Summey Building Systems*, 311 S.C. 507, 429 S.E.2d 854 (Ct.App.1993). It is clear that the 2007 Master

Deed's conversion of the Ship's Store Building and the Fuel Docks to private units adversely affected the title interests of the four individual Plaintiffs. None of them were aware of the amendment, nor did they or any of the 35 other boat-slip owners (who also purchased before the 2007 Master Deed was recorded) consent to it in writing.

The unambiguous terms of the 2006 Master Deed expressly forbade the Declarant from doing what he did.

The second principle is statutory: the 2007 Master Deed was executed and recorded in direct contravention of Code Section 27-31-70, which provides "*The common elements, both general and limited, shall remain undivided and shall not be the object of an action for partition or division. Any covenant to the contrary shall be void.*" (Emphasis added.) The 2007 Master Deed, converting common elements to individual units, was recorded after thirty-nine recorded deeds which vested title interests in the common elements conveyed to the four Plaintiffs, as well as the thirty-five (35) other boat-slip unit grantees.

South Carolina courts have not been reluctant to declare as void, transactions that plainly invade the statutory sphere that protects individual title interests of owners in a horizontal property regime after the master deed has been recorded. For example, in the case of *Resolution Trust Corporation vs Eagle Lake & Golf Condos, supra*, the Court of Appeals affirmed the decision of the master in equity declaring as invalid a mortgage on an entire condominium project, placed after the master deed had been recorded. Citing the first sentence of Code Section 27-31-230(a) that "No lien arising subsequent to recording the master deed... shall be effective against the property", the Court of Appeals held that the purpose of the statute is to prevent a condominium developer from encumbering the interests of others by giving a lien against the whole property once the master deed is filed. "This limitation on encumbrances is a rational policy decision by the

legislature. The purpose of the statute and public policy are aids in the construction of a statute.”
310 S.C. at 477.

It can be said that no lesser public policy interests apply in this case, where the plain language of Section 27-31-70 is to prevent the developer of a condominium project, not merely from encumbering the condominium property, but from cancelling and eliminating the ownership rights of others altogether.

The plain and unambiguous language of Code Section 27-31-70 forbade the Declarant from doing what he did, in the clearest of terms: “Any covenant to the contrary shall be void.”

Whether or not the Defendant Parties had actual knowledge of the open and obvious title defects found by this court’s ruling, they are charged with knowledge of the defects as a matter of law and public policy. *Binkley vs. Rabon Creek Watershed Conservation Dist.* 348 S.C. 58, 558 S.E.2d 902 (Ct.App.2001). Furthermore, a thorough title search and review would confirm that the Declarant’s conveyance of the common elements into units violated the terms of the Master Deed.

Accordingly, it is,

ORDERED, ADJUDGED AND DECREED, that the 2007 Master Deed for Mariner’s Cay Marina Horizontal Property Regime, recorded March 19, 2007 in the Office of the Register of Deeds for Charleston County in Book X618 at Page 603, as Amended and Restated by document recorded June 12, 2008 in Book Z661 at Page 509 be, and the same is hereby, declared and adjudged to be void, a nullity, and of no effect, to the extent that its provisions converted certain common elements of the horizontal property regime, namely the Ship’s Store Building and its units, Commercial Units 1-A and 1-B, and the Fuel Docks designated as Commercial Unit 2, from common elements to individual units; and it is further,

ORDERED, ADJUDGED AND DECREED, that the said Properties, being the Ship's Store Building and Commercial Unit 1-A, Commercial Unit 1-B and the Fuel Docks, Commercial Unit 2 be, and they are hereby, restored to their status as common elements of the horizontal property regime as they were defined and described in Article VII, Section 7.1 (e) of the 2006 Master Deed for Mariner's Cay Marina, recorded May 18, 2006 in the Office of the Register of Deeds for Charleston County in Book V583 at Page 584; and it is further,

ORDERED, ADJUDGED AND DECREED, that the individual Plaintiffs, Elizabeth Heatley, Neal B. McCann, Jr., David Neil Monk, and Thomas V. Bessent are herewith and hereby declared to own, and they do hold and own, undivided interests in the Ship's Store Building and Commercial Units CU-1A, CU-1B, and the Fuel Docks, CU-2, as tenants in common with each other; and they are furthermore tenants in common thereto with every other owner of a boatslip unit at Mariner's Cay Marina; and it is further,

ORDERED, ADJUDGED AND DECREED, that to the extent that the Defendant South Atlantic Bank holds, or claims to hold, a mortgage lien interest on the Ship's Store Building and its Commercial Units, CU-1A and CU-1B, and on the Fuel Docks, Commercial Unit CU-2, the mortgage lien is ineffective and void, in accordance with Code section 27-31-230(a).

ORDERED, ADJUDGED AND DECREED, that the remaining issues in this case shall be returned to the circuit court for disposition pursuant to the terms of the Order of Reference entered on December 14, 2020.

AND IT IS SO ORDERED!

SIGNATURE PAGE TO FOLLOW



Charleston Common Pleas

Case Caption: Alben D Neighbors , plaintiff, et al VS Mariners Cay Marina Condo
LLC , defendant, et al
Case Number: 2017CP1003099
Type: Order/Other

So Ordered

s/Mikell R. Scarborough 3062

Electronically signed on 2022-05-16 12:23:04 page 20 of 20

ELECTRONICALLY FILED - 2022 May 16 3:04 PM - CHARLESTON - COMMON PLEAS - CASE#2017CP1003099

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)
)
Elizabeth Heatley, Neal B. McCann,)
Jr., David Neil Monk, Thomas V.)
Bessent, and Mariner's Cay Marina)
Council of Co-Owners, Inc.)
)
Plaintiffs,)
)
vs.)
)
Mariner's Cay Marina Condo, LLC)
and Mariner's Cay Fuel Dock, LLC,)
George A. Farmer, Jr., and South)
Atlantic Bank)
Defendants)
)

IN THE COURT OF COMMON PLEAS
NINTH JUDICIAL CIRCUIT
CASE NO.: 2017-CP-10-3099

**ORDER ON DEFENDANTS'
MOTION TO ALTER OR AMEND**



This case came before me for hearing on September 7, 2022, on the motion of Defendants filed May 19, 2022 pursuant to Rule 59(e), South Carolina Rules of Civil Procedure, to alter or amend the Court's final order filed on May 19, 2022.

Defendants appeared with their attorney, G. Hamlin O'Kelley, III. Plaintiffs appeared with their attorney, Capers G. Barr, III. Amanda Gaston, Esq., with the firm Clawson and Staubes, also made her appearance for Plaintiffs.

For the reasons hereafter discussed, the motion of Defendants for reconsideration of the court's order is denied. However, the order shall be altered, as hereafter provided.

Defendants' written motion, which was not supported by memoranda or written argument, recites twenty-one written points for reconsideration. In their written response to Defendants' motion, Plaintiffs provided written arguments in response to Defendants' points numbered 2, 9, 10 and 21. In response to the remaining 17 points, Plaintiffs suggest that the Court's May 19, 2022 Order adequately disposes of them.

Having considered the written filings by the parties, and their oral arguments, the Court concludes that, to the extent that Defendants seek the Court's reversal of its May 16, 2022 final order, the motion must be, and is hereby, denied.

The principal argument made by Defendants in their written motion, as well as in their oral arguments, centers on their "acquiescence" defense argued and briefed at trial, and extensively addressed in the Court's final order.

Having heard the arguments of the parties, and having reconsidered my ruling on the acquiescence issue, the Court stands on its rulings thereabout in the final order. Among other reasons, I conclude, once again, that Code Sections 27-31-60 and 27-31-70 must be reconciled, and that the construction argued by Defendants introduces a conflict between the two sections that does not otherwise exist. Accordingly, the Defendants' argument, that the Court's ruling on acquiescence must be reconsidered and reversed, is denied.

There is an issue, however, that although not made in Defendants' written motion, was discussed in colloquy between the Court and counsel at hearing. As presently written, the Court's order as stated in the second adjudicative paragraph on page 19 thereof, purports to grant relief relating to "every other owner of a boat slip unit at Mariner's Cay Marina." Inasmuch as this case seeks declaratory relief only on behalf of the four individual plaintiffs, it was not the Court's intent to rule with respect to the rights of any other parties.

Accordingly the final Order in the second adjudicative paragraph on page 19 must be altered to read as follows:

“ORDERED, ADJUDGED AND DECREED, that the individual Plaintiffs, Elizabeth Heatley, Neal B. McCann, Jr., David Neil Monk, and Thomas V. Bessent are herewith and hereby declared to own, and they do hold and own, undivided interests in the Ship’s Store Building and Commercial Units CU-1A, CU-1B, and the Fuel Docks, CU-2, as tenants in common, in accordance with the South Carolina Horizontal Property Act, South Carolina Code Sections 27-31-10 et seq., and in accordance with the 2006 Master Deed for Mariner’s Cay Marina, recorded May 18, 2006 in the Office of the Register of Deeds for Charleston County in Book V583 at Page 584.”

In every further respect, the Order of this Court filed May 16, 2022 is hereby affirmed, and the motion of Defendants to alter or amend is, DENIED.

AND IT IS SO ORDERED!

Mikell R. Scarborough
Master in Equity

Charleston, South Carolina
_____, 2022



Charleston Common Pleas

Case Caption: Alben D Neighbors , plaintiff, et al VS Mariners Cay Marina Condo
LLC , defendant, et al
Case Number: 2017CP1003099
Type: Master/Order/Other

So Ordered

s/Mikell R. Scarborough 3062

Electronically signed on 2022-09-22 13:56:28 page 4 of 4

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Mikell R. Scarborough

Case No. 2017-CP-10-03099

Elizabeth Heatley, Neal B. McCann, Jr., David Neil Monk, Thomas V.
Bessent, and Mariners Cay Marina Council of Co-Owners, Inc.,.....Respondents,
v.

Mariners Cay Marina Condo, LLC and Mariners Cay Fuel Dock, LLC, George A.
Farmer, Jr., and, are the.....Appellants.

PROOF OF SERVICE

I certify that I have served the Appellants' Notice of Appeal by depositing a copy of same in Via overnight delivery, addressed to The Honorable Mikell R. Scarborough, Charleston County Master in Equity, 100 Broad Street, Suite 266, Charleston, SC 29401, Capers G. Barr, III, Barr, Unger & McIntosh, LLC, 11 Broad Street, PO Box 1037, Charleston, SC 29402 and David C. Cleveland, Clawson and Staubes, LLC, 126 Seven Farms Drive, Suite 200, Charleston, SC 29492-8144. I certify that I have also served the Appellants' Notice of Appeal by depositing a copy of same Via SC E Filing Portal.

The Appellants received a copy of the Order on Defendants' Motion to Alter or Amend on September 22, 2022.

[SIGNATURES ON FOLLOWING PAGE]

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OCT 19 2022

SC Court of Appeals

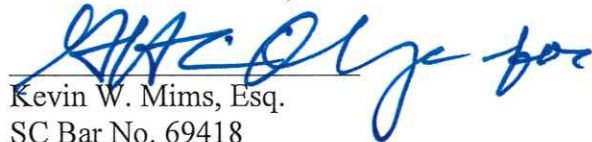
Mt. Pleasant, South Carolina
October 18, 2022

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Attorneys for the Appellants

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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OCT 25 2022

SC Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Mikell R. Scarborough

Case No. 2017-CP-10-03099

Appellate Case No. 2022-001479

Elizabeth Heatley, Neil B. McCann, Jr., David Neil Monk, Thomas V. Bessent, and
Mariner's Cay Marina Council of Co-Owners, Inc.,.....Respondents,

v.

Mariner's Cay Marina Condo, LLC, Mariner's Cay Fuel Dock, LLC, George A. Farmer.,
Jr., and South Atlantic Bank, Defendants,

Of which Mariner's Cay Marina Condo, LLC, Mariner's Cay Fuel Dock, LLC, and George
A. Farmer., Jr. are the.....Appellants.

AMENDED NOTICE OF APPEAL

Mariners Cay Marina Condo, LLC, Mariners Cay Fuel Dock, LLC, and George A.
Farmer, Jr appeal the Orders of The Honorable Mikell R. Scarborough, copies of which
are attached hereto, dated May 16, 2022 and September 22, 2022, which the Appellants
received written notice of on September 22, 2022.

Counsel for the Respondents are as follows:

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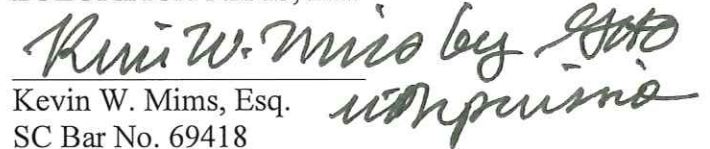
October 24, 2022

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ROA 2909

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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OCT 25 2022

SC Court of Appeals

APPEAL FROM CHARLESTON COUNTY
Court of Common Pleas

The Honorable Mikell R. Scarborough

Case No. 2017-CP-10-03099

Appellate Case No. 2022-001479

Elizabeth Heatley, Neil B. McCann, Jr., David Neil Monk, Thomas V. Bessent, and
Mariner's Cay Marina Council of Co-Owners, Inc.,.....Respondents,

v.

Mariner's Cay Marina Condo, LLC, Mariner's Cay Fuel Dock, LLC, George A. Farmer.,
Jr., and South Atlantic Bank, Defendants,

Of which Mariner's Cay Marina Condo, LLC, Mariner's Cay Fuel Dock, LLC, and
George A. Farmer., Jr. are
the.....Appellants.

PROOF OF SERVICE

I certify that I have served the Appellants' Notice of Appeal by depositing a copy of same
in Via overnight delivery, addressed to The Honorable Mikell R. Scarborough,
Charleston County Master in Equity, 100 Broad Street, Suite 266, Charleston, SC 29401,
Capers G. Barr, III, Barr, Unger & McIntosh, LLC, 11 Broad Street, PO Box 1037,
Charleston, SC 29402 and David C. Cleveland, Clawson and Staubes, LLC, 126 Seven
Farms Drive, Suite 200, Charleston, SC 29492-8144. I certify that I have also served the
Appellants' Notice of Appeal by depositing a copy of same Via SC E Filing Portal.

The Appellants received a copy of the Order on Defendants' Motion to Alter or
Amend on September 22, 2022.

[SIGNATURES ON FOLLOWING PAGE]

Mt. Pleasant, South Carolina
October 24, 2022

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Jr.*

ROA 2911

1 STATE OF SOUTH CAROLINA) IN THE CIRCUIT COURT
 COUNTY OF CHARLESTON) 2017-CP-10-3099
 2)
 3 ALBEN D. NEIGHBORS, ET ALS.)
)
 4 PLAINTIFFS,)
)
 5 vs.) TRANSCRIPT OF RECORD
)
 6 MARINERS CAY MARINA CONDO,)
 LLC, ET AL.,)
)
 7)
)
 8 DEFENDANTS.)
 _____)

Tuesday, November 14, 2017
 Charleston, South Carolina

B E F O R E:

The Honorable J.C. Nicholson, Jr.

A P P E A R A N C E S:

Capers G. Barr, IV, Esq.
 Attorney for Plaintiffs

George Hamlin O'Kelley, Esq.
 Attorney for Defendants Mariners Cay Marina Condo, LLC
 and Mariners Cay Fuel Dock, LLC

Joseph K. Qualey, Esq.
 Robert G. Jones, Esq.
 Attorneys for Defendant George Farmer, Jr.

Maria Dempsey, RPR
 Official Court Reporter
 Charleston County Family Court
 Ninth Judicial Circuit
 Charleston, South Carolina

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INDEX TO PROCEEDINGS

PAGE

HEARING

3

CERTIFICATE OF THE COURT REPORTER

30

E X H I B I T S

(No Exhibits Proffered.)

1 THE COURT: Who's representing who?

2 MR. BARR: Your Honor, Capers Barr here for the
3 plaintiffs.

4 MR. QUALEY: Joe Qualey representing the defendants.

5 MR. JONES: Robert Jones representing George Farmer as
6 a defendant. Qualey and I have Mr. Farmer.

7 THE COURT: Okay.

8 MR. O'KELLEY: And Your Honor, I've got Mariners Cay
9 Marina Condo, LLC, and Mariners Cay Fuel Dock, LLC, two of
10 the named defendants and the third-party plaintiffs.

11 THE COURT: Okay. Let me listen to Mr. Barr.

12 It's your motion, right?

13 MR. BARR: Yes, it is, Your Honor.

14 THE COURT: I'd be glad to hear you.

15 MR. BARR: May it please the Court. Your Honor, as I
16 mentioned, I represent the plaintiffs in this action. This
17 case involves the Mariners Cay Marina Horizontal Property
18 Regime. The Mariners Cay Marina is on the Folly River right
19 before you get to Folly Beach, and this case involves the
20 question of the ownership of certain elements of the regime.
21 We filed this motion for a temporary injunction to enjoin
22 the defendants from obstructing our access to certain
23 elements of the regime property that are necessary for the
24 operation of the regime.

25 Just as a way of background, Your Honor, this marina

1 was built in the 1980s and consists of a 90-boat slip marina
2 on Folly River, as well as a two-story -- what's called a
3 ship store on the high ground adjacent to the marina dock.
4 It's an elevated structure constructed on timber piles, and
5 this was -- this marina was converted to a horizontal
6 property regime in 2006.

7 We filed this action as a declaratory judgment
8 against the defendants. The defendants claim to own the
9 ship store in its entirety, as well as the fuel dock to the
10 marina. It's our position that those elements are common
11 elements of the regime and are not owned by the defendant,
12 and are instead owned by all of the condominium unit owners,
13 its tenants in common, since it's a course element. Of
14 course, the units in this regime consists of the boat slips,
15 the 90 boat slips.

16 So more specifically, Your Honor, what is going on
17 here is that the defendants are in possession, like I said,
18 of the ship store and fuel docks.

19 THE COURT: The ship store and what?

20 MR. BARR: The fuel docks.

21 THE COURT: All right. What's your client's interest
22 in all of this?

23 MR. BARR: I represent -- I'm sorry, yes, I represent
24 the Marina Council of Co-Owners, which is the council of
25 co-owners for the regime, which is responsible for the

1 management and operation of the marina and the common
2 elements. I also represent two individuals who -- I brought
3 this action on behalf of themselves, as well as a class
4 consisting of all --

5 THE COURT: What do they own?

6 MR. BARR: The boat slip owners.

7 THE COURT: They own a boat slip?

8 MR. BARR: Yes, sir. So two of the boat slip owners
9 individually, and as a class consisting of all of the boat
10 slip owners.

11 THE COURT: They haven't been certified as a class,
12 though?

13 MR. BARR: No, sir, not yet.

14 THE COURT: So you got two slip owners?

15 MR. BARR: Correct.

16 THE COURT: And who else?

17 MR. BARR: And the Marina Council of Co-Owners, the
18 property owners association for the regime, which is
19 responsible for the management and operation of the
20 regime --

21 THE COURT: They have a board?

22 MR. BARR: -- and the common element.

23 Yes, sir.

24 THE COURT: So you represent the board and two slip
25 owners?

1 MR. BARR: That's correct.

2 THE COURT: All right. And why do you want injunctive
3 relief? Why can't this be decided with a DJ action on who
4 owns what?

5 MR. BARR: Well, there are certain elements in the ship
6 store that we have to access in order to function the marina
7 as well as the fuel dock, and if we cannot access these, our
8 marina permit that's been issued by DHEC is in jeopardy of
9 being either suspended or revoked if we're not able to
10 access these elements.

11 Specifically what we're dealing with is in the ship
12 store. There is an electrical control panel that controls
13 the security system for the docks. There's a security gate
14 down there, and there's some electronic system in there that
15 controls the security gate. That had been removed from the
16 ship store by the defendants, and we need to put it back in
17 and maintain it so we can maintain the security for the
18 docks.

19 That electrical control panel also runs the power
20 for the waste water pump. As a condition of this marina
21 permit, we're responsible for providing sufficient sewer
22 pump-out service for the boats to have holding tanks that
23 hold their waste water and we pump them out. You can't
24 discharge them in the river, and so we have a waste water
25 pump that's located on the ground level beneath the ship

1 store. The power is controlled from within the ship store,
2 and the service for that pump-out service is on the docks.
3 So there's a hose that goes all the way out the dock, and
4 the only place that that service can be provided is that
5 fuel dock.

6 And so the defendants are not permitting us to
7 access the ship store to get to the control panel to deal
8 with the security system or the waste water pump power, nor
9 will they let us get under the ship store to deal with the
10 waste water pump, which is currently clogged and has to be
11 serviced. And they're also, defendants being in possession
12 of the fuel box and claiming to own the same, have two docks
13 more there, so there's no way, even if we can get this pump
14 serviced and fixed, there's no way to provide the pump-out
15 service. And again, this is something that is required by
16 the marina permit, and if we're not able to provide that
17 service, we're in jeopardy of having our marina permit
18 suspended or revoked. That's all irreparable harm.

19 THE COURT: Okay.

20 MR. BARR: And the same with the docks security system.
21 If we can't -- we need to fix that so we can have a security
22 system for the docks. If we don't, the boats down there are
23 subject to potential vandalism or theft, and that's our
24 irreparable harm.

25 THE COURT: What now?

1 MR. BARR: There's a security gate --

2 THE COURT: I understand the security gate. The
3 irreparable harm you're liable to have, have you had any
4 damage?

5 MR. BARR: No, sir. Not yet.

6 THE COURT: Well, what makes you think you're going to
7 have damage?

8 MR. BARR: Well, I think -- my understanding is the
9 client has put in a temporary measure that has a key pad
10 instead. This security system that was in place used key
11 fobs, okay, to open the gate down at the dock, and where
12 this started, and this is all in my client's affidavit, this
13 is part of our motion, we requested access to the ship store
14 to reprogram some of these key fobs because the system is in
15 there in that electrical control panel. And the dock master
16 has -- we will program a whole bunch of them, but when he
17 runs out, he needs to reprogram more.

18 They wouldn't let us in there to do that, and
19 instead, the defendants removed that security, the brains to
20 the security system from the ship store to set it out on the
21 steps. So we put in a temporary measure with a key pad to
22 access the security gate down there, but the problem with
23 that, Your Honor, is that that gives out a code to let
24 people in. People could give that code out to everyone,
25 whereas with the key fobs, you can't transfer it. I guess

1 you could, but it's harder to do that, and provides better
2 security. And so that's why we want to be able to restore
3 our original security system for the docks.

4 There's one more element of this, and that involves
5 the handicap ramp on the side of the ship store, which is
6 the only way to access the marina restrooms, which are up on
7 the first floor of the ship store, which is elevated. We're
8 not claiming that they're preventing us from accessing the
9 restrooms, because we can get to them by stairs, and they
10 have not prevented us from accessing the restrooms, but the
11 handicap ramps would be blocked off, and we need that
12 removed as well.

13 THE COURT: You got anybody handicapped using it?

14 MR. BARR: I don't know that, Your Honor, to tell you
15 the truth, but we have 90 owners and guests.

16 THE COURT: Any of them handicapped?

17 MR. BARR: I don't know.

18 THE COURT: Okay.

19 MR. BARR: I don't know.

20 THE COURT: All right. Okay. Anything else?

21 MR. BARR: Well, our irreparable harm, Your Honor, is
22 again, our permit is subject to being suspended or revoked
23 if we can't access --

24 THE COURT: Well, what --

25 MR. BARR: -- these elements to fix our waste water

1 pump-out service.

2 THE COURT: So subject to -- has DHEC moved against
3 them?

4 MR. BARR: No.

5 THE COURT: Pardon?

6 MR. BARR: No, sir, they're not. We have to -- we have
7 to, every so many years, provide an updated operations
8 manual for the regime, which describes everything, where
9 it's -- how it's functioning. We can't do that right now
10 because we can't -- we can't certify to DHEC that our waste
11 water pump-out service, which is required, is operable.

12 And lastly, Your Honor, it's our contention that we
13 lack an adequate remedy at law, because even if we have a
14 claim for damages against these defendants, if our marina
15 permit is revoked or suspended, no amount of money damages
16 could make us whole if the permit is revoked or suspended.

17 THE COURT: So you think because of the sewer problem
18 or the pumping the sewer out of the boats is why you think
19 it may be revoked?

20 MR. BARR: Because we're unable to provide that
21 service, and we're required to provide the service --

22 THE COURT: That the permit may be revoked?

23 MR. BARR: It could be, yes, sir. Yes, sir, because
24 it's a condition of the permit that we provide that service.

25 THE COURT: Have either your clients or anyone tried to

1 use the pumping system and they refused to turn it on for
2 you or what?

3 MR. BARR: It's not operable. It's clogged. The pump
4 is clogged and we have to fix -- we can't even get to it to
5 fix it to clear the obstruction.

6 THE COURT: Okay.

7 MR. BARR: This is all in my client's affidavit with
8 our motion.

9 THE COURT: Okay.

10 MR. BARR: So specifically, Your Honor, we're asking
11 for an injunction to enjoin the defendants from obstructing
12 our access to the control panel in the ship store, the waste
13 water pump under the ship store, enjoining them from
14 obstructing the fuel dock by keeping boats moored there, and
15 enjoining them from blocking the handicap --

16 THE COURT: Control panel, what else now?

17 MR. BARR: The control panel in the ship store, and
18 access to that.

19 THE COURT: Control panel for what?

20 MR. BARR: That is for the dock security system, and
21 also the power for the waste water pump.

22 THE COURT: And what else?

23 MR. BARR: The access to the waste water pump itself,
24 which is located beneath the ship store on the ground level.
25 It's enclosed in lattice and locked. And then the third

1 is --

2 THE COURT: You said access to the fuel dock?

3 MR. BARR: Well, yes. We want to have an order
4 enjoining the defendants from obstructing the fuel docks so
5 that boaters can access the waste water pump-out service.

6 THE COURT: And had it been denied? Has it been
7 blocked?

8 MR. BARR: Well, we can't --

9 THE COURT: I'm asking --

10 MR. BARR: It's been blocked, yes, sir, but we can't
11 even provide the service right now because the pump is
12 clogged and we need to --

13 THE COURT: I didn't say it was the pump-out, I said
14 the fuel.

15 MR. BARR: Then I'm sorry, the fuel, the marina doesn't
16 provide fuel right now. The fueling system is not operable.

17 THE COURT: And you say the fuel dock is when they use
18 the pump, you just call it the fuel dock, but there's no
19 fuel there?

20 MR. BARR: That's correct.

21 THE COURT: Okay.

22 MR. BARR: I'm sorry, yes, sir, it's the only place
23 where the waste water pump-out service can be utilized.

24 THE COURT: Okay.

25 MR. BARR: And then the last one is to enjoin them from

1 obstructing the handicap ramp on the side of the ship store.

2 THE COURT: Now, who are you alleging is doing this?

3 All the defendants?

4 MR. BARR: Well, the defendant Mariners Cay Marina
5 Condo, LLC claims to own the ship store, okay, and so that
6 LLC is preventing our access to those elements of the ship
7 store. The Mariners Cay --

8 THE COURT: Well, what about the Mariners Cay fuel
9 dock?

10 MR. BARR: Fuel Dock, LLC claims to own the fuel docks,
11 so it is the one that's obstructing the fuel docks and
12 obstructing the waste water pump-out service there. Okay.
13 Mr. Farmer, individually, is the sole member and manager of
14 those LLCs.

15 THE COURT: He manages it or owns it?

16 MR. BARR: He, according to the affidavit he filed with
17 this Court, he is the sole member and the manager of those
18 LLCs.

19 THE COURT: Okay.

20 MR. BARR: So he would be the owner.

21 THE COURT: Okay. Then there's likelihood of success
22 on the merits. Let me hear you very briefly on that.

23 MR. BARR: Yes, sir. Your Honor, the basis for our
24 claim of ownership or the claim that these, the dock, the
25 fuel dock and the ship store are common elements, is that

1 they were described as common elements in the original
2 master deed that was recorded. Okay. After that master
3 deed was recorded and some 38 boat slips were sold, the
4 developer took it upon itself to unilaterally amend the
5 master deed to change the ship store and the fuel docks from
6 common elements to units owned by the developer.

7 Under the South Carolina case law on the Horizontal
8 Property Act, that can't be done. We've cited a case, your
9 Honor, the case is Reyhani versus Stone Creek Cove
10 Condominium Horizontal Property Regime, 329 S.C. 206. One
11 of the holdings in that case was that once common elements
12 are set aside, invested in the co-owners, which is what was
13 done with this original master deed, the co-owners may not
14 be unilaterally deprived of interest in the common elements
15 by the action of the developer. And that case cites
16 Horizontal Property Act Section 27-31-60 and 70, which
17 basically says that the common elements shall remained
18 undivided and cannot be partitioned, and moreover, the
19 percentage interest applicable to the owners of the units
20 and the common elements can't be changed without the
21 acquiescence of all of the unit owners.

22 And that's exactly what this developer did on its
23 own, without even notifying the boat slip owners who owned
24 boat slips at that time. So it's our contention that an
25 amended and restated master deed is void, and that these are

1 common elements.

2 THE COURT: Okay. Thank you, Mr. Barr.

3 MR. O'KELLEY: Thank you, Your Honor. I'll go first.
4 I'm here for Mariners Cay Marina Condo and the fuel dock,
5 and Your Honor, I'm going to pass up a copy of that
6 affidavit of Mr. Farmer that was filed yesterday, and a copy
7 of one of the statutes that Mr. Barr just cited, which is
8 27-31-60.

9 Your Honor, I think some background is important in
10 this matter. Your Honor asked questions about irreparable
11 harm and damage, and likelihood of success on the merits.
12 My clients, the two LLCs, Your Honor, bought these
13 properties back in May 2016, and we've attached the copies
14 of the two deeds for May 2016, to Mr. Farmer's affidavit.

15 My clients paid \$250,000 for these properties. And
16 these properties, Your Honor, came for sale because they
17 were subject to a foreclosure action, and a copy of Judge
18 Scarborough's master's deed from July of 2015 is also
19 attached. And it's important, Your Honor, and the reason I
20 passed up the statute is, I'll read the section I think is
21 important. The Horizontal Property Act says that
22 percentages at the time the horizontal property regime is
23 constituted shall have permanent character, and shall not be
24 altered without the acquiescence of the co-owners. And
25 that's the important part, acquiescence of the co-owners.

1 Because in the foreclosure case, Your Honor,
2 Mr. Barr's client, the board, as you've called it, the
3 Horizontal Property Regime Council of Co-Owners, filed an
4 answer asking that the Court protect its interest related to
5 private property, which they're now claiming is a common
6 element. And in their answer, they stated that we want to
7 make sure that our assessments get paid, which I think is
8 important. My client has been paying assessments for the --
9 to the unit owners -- excuse me -- to the condo association
10 as the unit owner of both, what Mr. Barr called the ship
11 store and the docks.

12 It's also important to realize, Your Honor, that
13 almost the day after the closing, two days after, the
14 Mariners Cay Council of Co-Owners had a meeting to discuss
15 buying the units from my clients. And I've attached as
16 Exhibit E to Mr. Farmer's affidavit an offer to buy, from
17 October of last year, for \$80,000. Discussions went back
18 and forth, Your Honor, between my client and Mr. Barr's
19 client about Mr. Barr's client buying the unit. They
20 couldn't reach an agreement, and this lawsuit since
21 followed. Mr. Barr filed this motion on behalf of his
22 client in early September, and Your Honor, my clients, and
23 Mr Qualey's and Mr. Jones' clients have been trying to work
24 this matter out with Mr. Barr.

25 As for the ramp issue, there are two small bungee

1 cords, Your Honor, that anyone can move to access the ramp.
2 There are two bathrooms that have been accessible the entire
3 time if someone lifts his finger and quickly lifts up the
4 bungee cord or separates them. So I think the ramp is a
5 nonissue.

6 THE COURT: Okay. I tend to agree, but what about the
7 pumping station?

8 MR. O'KELLEY: The pump, Your Honor --

9 THE COURT: If they're freezing access to the pump
10 station, I got a problem with that.

11 MR. O'KELLEY: Well, and Your Honor, my client has
12 said, we will give you access to the -- we'll give you the
13 key. We'll give you access to the pump station, we just
14 would like 24 hours notice, because Mr. Farmer and his
15 family live above this. They don't want people coming and
16 going at all hours of the night. There's been no threat
17 from DHEC, as Your Honor asked, about we're going to pull or
18 revoke your permit.

19 THE COURT: I understand, but if you don't do something
20 about the pumping, it possibly could happen.

21 MR. O'KELLEY: Yes, sir, but if no one has been using
22 the pump from May of 2016 to the present, Your Honor, my
23 client is willing to give the key, willing to provide
24 access.

25 THE COURT: How is the pumping station --

1 MR. O'KELLEY: It is inoperable.

2 THE COURT: Pardon?

3 MR. O'KELLEY: It is inoperable. It doesn't work. It
4 hasn't been used since at least May of 2016, Your Honor, and
5 that was before my client bought it.

6 THE COURT: Well, what's it going to take for -- I
7 assume the plaintiffs are going to pay to fix it?

8 MR. O'KELLEY: Well, that may be. I don't know what it
9 will take, Your Honor, in terms of getting somebody to come
10 service it or clean it out or turn the power on, I don't
11 know.

12 THE COURT: Well, let me ask you this: Who alleges to
13 own the station in relation to y'all's ultimate lawsuit?

14 MR. O'KELLEY: Well, that's the ultimate dispute, Your
15 Honor, because we claim that --

16 THE COURT: Well, do y'all claim y'all own the pumping
17 station or you don't own it?

18 MR. O'KELLEY: We claim to own it as part of the condo
19 that we bought out of the foreclosure sale, Your Honor.

20 THE COURT: Okay.

21 MR. O'KELLEY: And that's the ultimate issue for the
22 Court to decide.

23 THE COURT: Right.

24 MR. O'KELLEY: We also, in terms of the fuel docks,
25 where they are, my client in his affidavit --

1 THE COURT: Well, if they give him access, it's not
2 going to solve the problem.

3 MR. O'KELLEY: No, sir.

4 THE COURT: Somebody's got to fix it.

5 MR. O'KELLEY: Yes, sir.

6 THE COURT: So it will work. If, I'm assuming, people
7 use it. Are people using it?

8 MR. O'KELLEY: No, sir, they're not.

9 THE COURT: Are any boats in there sufficient to use
10 that can't really use it?

11 MR. O'KELLEY: There are boats at the marina, but I
12 don't know if there are boats that have, you know, sewage
13 systems that need to be pumped out. I don't know the answer
14 to that question, Your Honor.

15 THE COURT: Does anybody, from the defense standpoint?

16 MR. O'KELLEY: But no one has used it for -- according
17 to my client, for well over a year and a half.

18 THE COURT: Well, that's because you said it's been
19 broken, so nobody could use it if they wanted to. My
20 question is, does anybody know who's been using it that
21 hasn't been used?

22 MR. O'KELLEY: Your Honor, let me ask Mr. Farmer.

23 MR. QUALEY: Your Honor, it has not been used since our
24 client, Mr. Farmer, bought it.

25 THE COURT: I'm sorry, what?

1 MR. QUALEY: So we don't know what the history of it is
2 or was before our client bought it. Since he bought it, it
3 has not been operable.

4 THE COURT: So you don't know.

5 MR. QUALEY: I do not.

6 THE COURT: All you know is it hasn't been working
7 since y'all bought it.

8 MR. QUALEY: That's correct.

9 THE COURT: Okay.

10 MR. O'KELLEY: And Your Honor, what Mr. Farmer doesn't
11 know, because he wasn't on site before May of 2016, but you
12 know, all he says is, well, give him notice, he'll let you
13 have access any time you want. I mean, we tried to work
14 this out. And also, in terms of the key fob and its
15 security, we just heard from Mr. Barr that his clients have
16 changed the code. We can't control if someone gives out the
17 code to someone else. It's like if anyone has a code to an
18 apartment building or a dorm or anything, you can't control
19 who gives that code out.

20 If they want to put in a new electrical box, there
21 are plenty of places to put in an electrical box, but
22 Mr. Farmer's house is where they want to put this electrical
23 box. So I think that might be a nonissue, because there's a
24 place and way to do this to make it secure. And again, Your
25 Honor's question is, are they making threats of vandalism or

1 destruction of boats? And the answer is no.

2 So I think the only issue we're really here about is
3 the waste water pump, which is located under the LLC's
4 property. And again, my client's happy to give access to it
5 or provide a key to whoever needs a key to access it, but
6 it's just, let's be reasonable about it and not leave it
7 open all the time, since he's living above it, and that's
8 the ultimate issue in the case. If it's his property, he
9 has a right to bar access to it. But we've tried to work
10 this out in a fairly easy manner, but I don't think that
11 there's any irreparable harm shown because nobody's been
12 using it for years. Also, my clients have been sued --

13 THE COURT: But is it essential for the DHEC permit?
14 What's DHEC permitted the use of?

15 MR. O'KELLEY: DHEC permitted the use of the property,
16 and attached to, as a marina --

17 THE COURT: Is the permit the use of the pumping
18 station or the marina itself? What is the DHEC permit, I
19 guess?

20 MR. O'KELLEY: Your Honor, we don't know the answer to
21 that question. All we have is something that expired in
22 August of 2011 about special conditions for this marina.
23 It's attached to Mr. Bessent's affidavit. So I don't know
24 what DHEC has permitted, Your Honor, to answer your
25 question.

1 THE COURT: Mr. Barr, do you know?

2 MR. BARR: Yes, sir, Your Honor, and I don't have a
3 copy of the regulation handy here, but in my memorandum I
4 submitted to the Court, I cite that -- bear with me one
5 second.

6 The regulations applicable to marinas promulgated by
7 DHEC require that the marina include facilities for the
8 proper handling of sewage. This is at the -- on the docks.
9 This is permitting the marina docks.

10 THE COURT: Use of what?

11 MR. BARR: It requires that the marina includes
12 facilities for the proper handling of sewage, the marina,
13 not the -- on the side of the landward operation, but the
14 marina itself.

15 THE COURT: The pumping station is what they have given
16 a permit on, right?

17 MR. QUALEY: No, sir.

18 MR. BARR: The DHEC has given a permit to permit us to
19 operate a marina on Folly River, and the regulations of DHEC
20 applicable to marinas and the applications for marinas
21 require that the marina provide facilities for discharging
22 sewage from the boats.

23 THE COURT: Okay.

24 MR. BARR: And that's under South Carolina Regulation
25 30-12E(1)(t). It's in my memorandum.

1 THE COURT: Okay. Thank you, Mr. Barr. Go ahead,
2 Mr. O'Kelley.

3 MR. O'KELLEY: Your Honor, I was just going to state
4 again, my client is happy to provide access any time they
5 want, but the regulation Mr. Barr just cited says they have
6 to provide it. It doesn't say they have to provide it under
7 my client's property or on what my client believes is his
8 property. They can set this up anywhere on the landward
9 side of this marina, because according to my client, it
10 hadn't been used for over a year and a half.

11 THE COURT: Well, that's impractical if you already got
12 one there and it just needs to be repaired.

13 MR. O'KELLEY: But we don't know that.

14 THE COURT: During the pendency of this lawsuit to say
15 who owns what.

16 MR. O'KELLEY: And correct, during the pendency, my
17 client was willing to give access, but for some reason, the
18 plaintiff said that's not good enough.

19 THE COURT: Willing to do what? I'm sorry.

20 MR. O'KELLEY: Provide access to the underneath portion
21 so they can repair it. Just contact my client and he'll let
22 you in at any time. That was the offer he made, and that's
23 in his affidavit. So, you know, we're not that far apart,
24 is my point, Your Honor. I don't know that this requires a
25 true injunction. If my client is willing to give on the

1 relief they're asking for, just wants a little notice. And
2 Your Honor, I don't know that there's been any irreparable
3 harm shown -- excuse me -- a non-adequate remedy of law when
4 they're asking for damages from my client. If Your Honor is
5 so inclined to grant an injunction, my client would ask for
6 a bond under Rule 65(c), at a minimum that that amount be
7 paid -- excuse me -- the LLC's paid, which would be --

8 THE COURT: Mariners Cay Fuel Docket, LLC, anybody
9 from -- do you want to address the injunctive relief?

10 MR. O'KELLEY: Your Honor, I represent Fuel Docket, LLC
11 and the Condo, LLC.

12 THE COURT: Okay. How about Mr. Farmer, anybody want
13 to address the issue --

14 MR. JONES: Yes, Your Honor. Robert Jones and Joe
15 Qualey here for Mr. Farmer, who is sitting back here. I
16 think that maybe we've got a little off course, because this
17 is Mr. Farmer's home. He lives there with his children.
18 It's not a ship store. I know we talked about fuel docks
19 that aren't really fuel docks, and a store that's not really
20 a store. This is his home, and he bought this home pursuant
21 to an arm's length transaction at a sale, not at a
22 foreclosure sale. An attorney closed this sale. He bought
23 this for a value without notice of any claims made by the
24 plaintiffs. So an attorney did the title work, searched it,
25 and this property, keep in mind, Your Honor, has changed

1 hands five times. Five times since 2006, plus, it currently
2 has a mortgage on it with a bank.

3 THE COURT: You're talking about the property your
4 client owns has changed hands five times?

5 MR. JONES: Yes, Your Honor.

6 THE COURT: Okay.

7 MR. JONES: Okay. And there is a mortgage on the
8 property now. So the bank has an interest in the property,
9 and also, there is a tenant at the dock. So those people
10 have an interest in the property, and they haven't been
11 there when markette's (ph). So it's up to the plaintiff to
12 demonstrate facts, not speculation, about what might happen,
13 what could happen, what may possibly happen. I don't need
14 to tell Your Honor that injunctive relief is the most
15 extreme form of relief in a civil matter, and it's up to the
16 plaintiff to demonstrate facts, not speculation, showing
17 that there is harm occurring. There is no harm occurring.

18 As Mr. O'Kelley said, we have gone to great lengths
19 to try to work something out to give them access, which is
20 reasonable, and we can't have people coming in and out of
21 Mr. Farmer's house at night, coming in at all hours of the
22 day and night. That's certainly not acceptable. So this
23 has gone on for 10 years. Ten years, the plaintiff has not
24 said a word. They tried to buy the property from
25 Mr. Farmer. There were offers that went back and forth, and

1 when he decided not to sell, then they sued him.

2 So I don't think that there's been a demonstration
3 of the elements necessary for injunctive relief.
4 Furthermore, there's the three elements for injunctive
5 relief. If you balance the equities in this case, it's
6 inevitable to our client to have to put out his wife and
7 kids from his home that he bought pursuant to a legitimate
8 sale.

9 THE COURT: Well, where's this pump in relation to the
10 living quarters?

11 MR. JONES: It's underneath. It's on the ground level.

12 THE COURT: Y'all have to go in the house to have
13 access to it, do you?

14 MR. JONES: No. You have to go under the house.

15 THE COURT: Okay.

16 MR. JONES: And he has offered to provide them access
17 upon reasonable notice, but apparently, they believe that
18 that's not good enough, based on speculation that there may
19 be some irreparable harm down the road. They sued my client
20 for damages, Your Honor, and then they also want injunctive
21 relief. Those two remedies do not go hand in hand. They're
22 opposite of each other. Injunctive relief is not
23 appropriate in this case, and it's not necessary for the
24 operation of the regime; there's been no showing of that.
25 It's their burden to show that. They haven't shown

1 substantial likelihood of success on the merits of this
2 case. Our client is --

3 THE COURT: Well, I understand the argument, but my
4 problem is this, okay, if the marina is violating some DHEC
5 regulations, that's a reasonable injunctive relief,
6 irregardless of what you're saying, because you can't -- you
7 can't qualify that as far as damages are concerned. Okay.
8 So that's my reaction to what I've heard so far. If they
9 violate the DHEC regulations, then I don't think it's
10 appropriate for a marina to be violating the regulations, if
11 in fact they're being violated. So therefore, I am
12 seriously considering enjoining your client from prohibiting
13 them from having access to the pump for the pumping out the
14 boats.

15 Okay. Now, the question remains, how are you going
16 to get it fixed? Okay. And I understand your argument, but
17 I do think it does qualify for a possible injunctive relief
18 as to the waste water, okay, because if, in fact, the
19 regulations require that from the marina, then it's in
20 violation. If it's not working, it's in violation. Do you
21 understand?

22 So how can we work out who's going to fix it and how
23 are we going to do that?

24 MR. BARR: Your Honor, we're going to fix it.

25 THE COURT: Now, I'll agree with you if it's under his

1 house, then there's got to be some protections for your
2 client under the house, I'll agree with that, and they're
3 going to have to schedule a time to do it and give him the
4 keys that are adequate for it, okay, I have no problem with
5 that, but I am going to give them access to the pump.

6 MR. JONES: Well, and that's the issue, Your Honor, is
7 it's a T-head dock, and they want unfettered access, and
8 they want to boot out the tenant who's here.

9 THE COURT: I'm not going to give them unfettered
10 access. I'm going to give them some -- you're going to have
11 to control it, but you're going to have to give him access
12 when they want it if they schedule it properly. If you have
13 a problem with it, I can sit here and set up a timetable how
14 much time they can have to do it or, and who's going to pay
15 for it.

16 Okay. Why don't y'all go spend about 10 minutes and
17 talk and see if y'all can't work this out. Two questions:
18 How are you going to give him the key? What kind of notice
19 he has to receive before they're allowed to use the pump?
20 And number three, they said they will pay to have it fixed,
21 so that's fine. If they say they'll fix it, they can pay to
22 have it fixed.

23 MR. O'KELLEY: And Your Honor, one problem is, we tried
24 to go down that route saying, we'll give you access, we'll
25 give you a key, and it was, we want it all. So I'm having

1 to --

2 THE COURT: I'm not giving them all.

3 MR. O'KELLEY: Yes, sir, I just want you to know we've
4 tried to get to the situation where Your Honor is so
5 inclined to rule.

6 THE COURT: I heard you. You told me that two or three
7 times.

8 MR. O'KELLEY: Yes, sir.

9 THE COURT: Okay. Y'all think y'all can go talk and
10 work out the finer details? Or I'm going to have to do it
11 for you.

12 MR. JONES: We'll certainly try, Your Honor.

13 MR. BARR: Can I just say something just to clarify a
14 couple of things.

15 THE COURT: Yes, sir.

16 MR. BARR: Because, Your Honor, you know, we're just
17 trying to preserve the status quo that existed before
18 Mr. Farmer --

19 THE COURT: I understand, y'all go talk about it.

20 MR. BARR: We'll willing to pay for this.

21 THE COURT: Go talk about it for 10 minutes, work it
22 out, or I'm going to ram it down all your throats. Okay.

23 MR. BARR: Okay.

24 (END OF TRANSCRIPT OF RECORD.)

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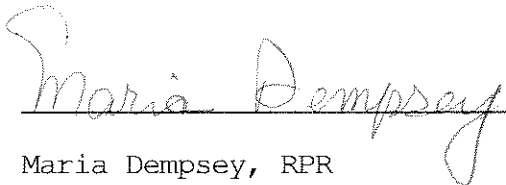
CERTIFICATE OF REPORTER

State of South Carolina)
)
County of Charleston)

I, Maria Dempsey, Official Court Reporter for the Ninth
Judicial Circuit of the State of South Carolina, do hereby
certify that the foregoing is a true, accurate and complete
Transcript of Record of the proceedings had and evidence
introduced in the trial of the captioned case, relative to
appeal, in the Circuit Court for Charleston County, South
Carolina, on the 14th day of November 2017.

I do further certify that I am neither of kin, counsel,
nor interest to any party hereto.

January 22, 2018



Maria Dempsey, RPR
Official Court Reporter
Charleston County Family Court
Ninth Judicial Circuit
Charleston, South Carolina