

IN THE STATE OF SOUTH CAROLINA
In the Court of Appeals

ORIGINAL

21156

APPEAL FROM HORRY COUNTY
William H. Seals, Jr., Circuit Court Judge

Case No. 2009-CP-26-5743

Hotel and Motel Holdings, LLC, Respondent,

v.

BJC Enterprises, LLC, Wendy J. Bellamy, Americana, Inc.,
a/k/a Americana Motel of Myrtle Beach, Inc., Mozingo &
Wallace Architects, LLC, Kersi S. Shroff, and Shroff Management,
Inc., Defendants,

of whom

BJC Enterprises, LLC, Wendy J. Bellamy, Americana, Inc.,
a/k/a Americana Motel of Myrtle Beach, Inc., Appellants,

v.

First Palmetto Savings Bank, F.S.B., Jack Jones, Donald D. Godwin,
and Bhupendra Patel, Respondents.

RECORD ON APPEAL

RECEIVED
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SC Court of Appeals

Kathryn M. Cook, Bar No. 1371

~~_____~~
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Attorney for Appellants

BJC Enterprises, LLC, Wendy J. Bellamy, Americana, Inc.,
a/k/a American Motel of Myrtle Beach, Inc.

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Greenville, SC 29602

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1501 Mail Street, 5th Floor
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Determination of Net Operating Income

To determine a reasonable estimate of Net Operating Income (NOI), the total percentage of estimated expenses as calculated above should be deducted from the Effective Gross Income (EGI) or the effective room revenue estimate, which is \$587,394.00. This would result in a Net Operating Income for the subject property of

$$\$587,394.00(\text{EGI}) \text{ less } \$352,436.00(\text{Operating Expenses}) = \$234,958.00 (\text{NOI})$$

$$\$234,958.00 (\text{NOI}) / 77 \text{ rooms} = \$3,051.40 \text{ NOI per room.}$$

Value Indication Using the Gross Income Multiplier Analysis

After speaking with number of lodging professionals and brokers, it appears that in most cases the value of lodging and motel facilities is determined by the income they can generate more than any other factor. It would also appear that the most widely used method of determining the value of limited service lodging properties is through a Gross Rent Multiple. This is calculated by dividing the selling price by that particular property's gross room revenues for the trailing year. After a review of the comparable sales GIM, it appears that they range anywhere from a low of 3.38 to a high of 5.63, with an average GIM of 4.83. Since all of these comparables were in superior condition to the subject, the appraiser feels that a selection in the lower of the range is appropriate.

In reviewing the sales available, it is the appraiser's opinion that a reasonable multiplier for the subject property would be around 3.0. Using this figure, we can develop a value conclusion as follows:

$$\$587,394.00 (\text{EGI}) \times 3.0 (\text{Gross Income Multiplier}) = \$1,762,182.00 \text{ value}$$

Rounded to \$1,800,000.00

Direct Capitalization

We reviewed the results of the Korpacz Real Estate Investor Survey for the Fourth Quarter of 2008. The "Overall Rates" from that survey are shown in the following table.

PRICEWATERHOUSECOOPERS Real Estate Valuation/Consulting Practice		
Korpacz Real Estate Investor Survey		
KORPACZ Overall Cap Rate - 4th Quarter 2008		
Marker	Overall Cap Rate Range	Overall Cap Rate Average
National Regional Mall	5.00%-9.50%	6.96%
National Power Center	6.00%-10.00%	7.57%
National Strip Shopping Center	5.80%-9.00%	7.49%
National CBD Office	4.50%-10.00%	7.14%
National Suburban Office	5.50%-11.00%	7.59%
National Flex/R&D	5.50%-10.00%	7.76%
National Warehouse	5.00%-9.00%	6.73%
National Apartment	3.80%-8.50%	6.13%
Average		7.17%

The rates shown from the national survey are fully supported by local market transactions. Based on knowledge of the current market, the appraiser concluded that an Overall Capitalization Rate (Ro) of 11.0% is most applicable for the subject. Overall rates for good quality owner-occupied buildings are at or near the lower end of the range. An adjustment for reserves & replacements has been deducted for \$50,000 annually due to the age and condition of the subject, as well as an estimated expense load of 60%. Using direct capitalization the value is \$1,681,436.00 rounded to \$1,700,000.00. A reconstructed operating statement is included for the client's review.

Operating Income Statement

Rainbow Court Motel, 405 Flagg St., Myrtle Beach, SC

Potential Gross Income	# of rooms	ADR	Annual Rev
	77	\$38.00	\$1,067,990
Total Potential Gross Income @ 100% Occupancy			\$1,067,990
Less Vacancy & Collection Loss		15.00%	\$180,596
Effective Gross Income			\$887,394

Operating Expenses:

Fixed	Total	Per SF	% EGI
R E Taxes	Tenant	\$0.00	0.00%
Insurance	Tenant	\$0.00	0.00%
Variable:			
Management	\$0	\$0.00	
Utilities	Tenant	\$0.00	0.00%
Repair & Maint	\$0	\$0.00	
Total	\$0		
Replacements	\$50,000.00		\$50,000
Total Operating Expenses		60.00%	\$352,436
Estimated Net Operating Income			\$184,958

Direct Capitalization Process:

NOI	+	Ro	=	Value
\$184,958	-	11.0%	=	\$1,681,436
		Rounded	=	\$1,700,000

RECONCILIATION AND FINAL VALUE ESTIMATE

The following value conclusions are indicated from the three approaches to value used in this analysis.

Direct Sales Comparison Approach	\$2,100,000.00
Income Approach	\$1,700,000.00
Market Approach using GIM Method	\$1,800,000.00

The overall value per SF is the most commonly used unit of comparison in today's market. Based on these approaches the current fee simple market value, based on current "As Is" condition, as of June 1, 2009 is:

ONE MILLION SEVEN HUNDRED THOUSAND DOLLARS & no/100's
(\$1,700,000.00)

MARKETING AND EXPOSURE TIME

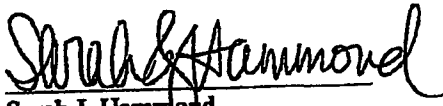
The estimated marketing time for the property is twelve months to twenty four months. This marketing time is also estimated as the needed exposure time for the property.

CERTIFICATE OF THE APPRAISER(S):

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- We have made an exterior inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- C. Vernon Hammond is Certified General appraiser, #CG5782, duly licensed and certified by the State of South Carolina. He has met the continuing education requirements as mandated by the South Carolina Real Estate Appraisers Board.
- Sarah J. Hammond is a licensed Apprentice Appraiser # AA6314, with the State of South Carolina and has met the continuing education requirements as mandated by the South Carolina Real Estate Appraisers Board.


C. Vernon Hammond
SC Certified General #5782


Sarah J. Hammond
SC Apprentice Appraiser # AA6314

QUALIFICATIONS OF THE APPRAISER CHARLES VERNON HAMMOND

EXPERIENCE

- Served in various capacities for the past 30 years in all lending aspects of banking to include commercial lending, mortgage lending, asset valuation and appraisal review functions
- Currently serves as the senior review analyst, Internal Asset Review Committee, of First Palmetto Savings Bank, F.S.B.
- Currently serves on the Senior Finance Committee responsible for all Commercial Loan reviews in excess of 1 million dollars with sole responsibility for all Asset Valuation determinations

EDUCATION

- Distinguished Military Graduate
B.S., Business Administration, 1979
The Citadel, Charleston, South Carolina
- Commissioned, Second Lieutenant, United States Army
- Graduate, United States Army Engineer School
U.S. Army Corps of Engineers, 1980
Fort Belvoir, Virginia/ Honorably Discharged, U.S. Army Reserve, 1996

Appraisal Courses/Seminars:

L1 – Real Estate Appraisal Principles / 2003
L2 – Market Data Analysis / 2003
L3 – Uniform Standards Update (USPAP) / 2003
CR – Uniform Residential Appraisal Report / 2003
C1 – Income Property Appraisals / 2006
C2 – Advanced Income Capitalization Procedures / 2006
C3 – Applied Income Property Valuation / 2006
CE – HP – 12C Financial Calculator Seminar / 2006
CE – Discounted Cash Flow Analysis Seminar / 2006
CE – Timber & Timberland Evaluation Seminar / 2007
CE – How to Beat the Review Appraiser at His Own Game / 2007
CE – Uniform Standards Of Professional Appraisal Practice / 2007
CE – Effective Appraisal Writing – 2008
CE – Maintaining Control – Dealing with Client Pressure / 2008
CE – Analyzing Distressed Property/2008

CE - Valuation of REO; Foreclosure and Pre-Foreclosure/2009
CE - Business Practices & Ethics - 2009

- Associate Member, The Appraisal Institute

EMPLOYMENT HISTORY

- May 1979: Security Federal Savings & Loan Association
Columbia, South Carolina
Management Associate
- December 1981: Security Federal Savings & Loan Association
City Executive, Vice President
Bishopville, South Carolina
- May 1984: Security Federal Savings & Loan Association
City Executive, Vice President
Camden, South Carolina
- February 1986: Palmetto State Savings Bank
Senior Vice President, Mortgage Lending
Camden, South Carolina
- November 1990: First Palmetto Savings Bank, FSB
Senior Vice President, Mortgage Lending and Branch Operations
Camden, South Carolina
- Presently serving as: Senior Vice President
Commercial & Residential Lending Divisions
Appraisal Review and Asset Valuation
First Palmetto Savings Bank, FSB
Camden, South Carolina

Palmetto Valuation & Appraisal, LLC
1105 Broad Street
Camden, South Carolina 29020

South Carolina Certified General Appraiser
#CG5782

QUALIFICATIONS OF THE APPRAISER SARAH J. HAMMOND

EDUCATION/LICENSING

- Graduated from Camden High School, June 1998
- Graduated from Clemson University, August 2005
B.A. in Political Science, Minor in Business Administration
- Licensed Insurance Bank Products Specialist, State Farm Insurance
August 2004
- Licensed Insurance Agent by the State of South Carolina,
Property & Casualty, August 2005
- Licensed Apprentice Appraiser # AA6314 by the State of South Carolina,
December 2007
- Notary Public, State of South Carolina

Appraisal Courses/Seminars:

- L1 – Introduction to Real Estate Appraisal / September 2007
- L2 – Valuation Procedures / September 2007
- L3 – 15 Hour National USPAP Course / September 2007
- CR – Applied Residential Property Valuation Case Study / September 2007

- McKissock CE – 7 hour Residential Report Writing / June 2008
- McKissock CE – Mortgage Fraud: Protect Yourself / June 2008

EMPLOYMENT HISTORY

- January – August 2003: Public Relations Assistant
The United Way of Kershaw County, SC
- August 2003 – August 2004: Legal Assistant
The Law Office of M. Scott Rankin, Camden, SC

- **August 2004 – August 2005: Bank Products Specialist
Maggie Waldrep State Farm Agency, Anderson, SC**
- **August 2005 – September 2008: Property & Casualty Insurance Agent
Larry DiBiase State Farm Agency, Camden, SC**
- **September 2008 - Present: Licensed Apprentice Appraiser SC # AA 6314
Palmetto Valuation & Appraisal, LLC, Camden, SC**

ADDENDA

Print Single



Property Information

General Information

TMS: 181-10-10-005
Owner: Americana Motel Inc Americana Motel Of Mb Inc
Owner Addr.: 405 Flagg St
City: Myrtle Beach
State: SC
Zip: 29577
Zoning: TA-80
LUC: 301

Study Area: Myrtle Beach
Subdivision:
Cnty Land Value: \$410,600
Cnty Impr. Value: \$1,129,400
Cnty Other Value: \$38,880
Cnty Total Value: \$1,578,880
Last Date Sold:
Sold Price:
Seller:

Property Details

Year Built:
Cnty Bldg. Use: Motel
Legal Desc. Lt 2-9 Bl 21
Deed Book:
Deed Page:
Lot:
Block:
Section:
Tax Assess.:

Cnty Impr. SqFt:
Land Area SqFt: 75794
Land Area Acres: 1.74
Bldg. Area SqFt:
Grd. Floor SqFt:
Rec. Room SqFt:
Street Number:
Street Name: 5th
Road Type: Ave

Bldg. Style:
Bldg. Condition:
Stories:
Total Rooms:
Family Rooms:
Bedrooms:
Full Baths:
Half Baths:
Fireplace:
Attic:
Heat System:

 The data herein is believed to be accurate, but we make no guarantee as to its accuracy. Please refer to our data source information and disclaimer at www.SiteTechSystems.com	Please Refer to Accompanying Map Data. Copyright, 2006 Site Tech Systems	  Site Tech Systems proudly uses ESRI GIS Software
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<http://onesource.sitetechsystems.com/Horry/support/asp/printsingl.asp>

06/11/2009

FPSB_001759



Aerial View - The Rainbow Motel, Myrtle Beach SC



gateway

[home](#) [gateway](#) [ePay](#) [real property](#)


You are Here: [homepage](#) > [gateway](#) > [real property search](#) > [assessor info](#)

Assessor Ownership, Location, and Tax Information

The below information represents all pertinent assessor data based upon the parcel number that you selected. To view the real property with Mapping interface simply click the "Map/Assess.Info" button.

[GO! Ownership & Location Information](#)

[GO! Tax Information](#)

[Map/Assess. Info](#)

Ownership & Location Information:

Parcel #:	1811010005
Tax Bill Mailing Address:	405 FLAGG ST MYRTLE BEACH SC 29577-4025
Legal Description:	LT 2-9 BL 21
Current Owner:	AMERICANA MOTEL INC
Deed Book/Page:	/
Lender Identification:	0
District:	880 / CITY OF MYRTLE BEACH
# Of Lots:	8
# Of Buildings:	10

[back to top](#)

Tax Information:

Current Fair Market Value:	1,540,000.00
Residential Value:	0.00
Farm Use Value:	0.00
Other Value:	1,540,000.00
Farm Market Value:	0.00
Last Appraisal Date:	01/12/2005

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	3580	92400	23,562.00	25,918.20	10/01/2008	NONE	FULL
2007	3550	92400	23,284.80	23,284.80	10/01/2007	NONE	FULL
2006	3546	92400	22,453.20	22,453.20	10/02/2006	NONE	FULL
2005	2985	92400	21,935.76	21,935.76	10/01/2005	NONE	FULL

<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcI Srch.do?prcI no=1811010005&mapdetail...> 06/11/2009

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2004	3016	84948	20,769.78	20,769.78	10/01/2004	NONE	FULL
2003	2970	84948	20,769.78	23,935.25	10/01/2003	NONE	FULL
2002	2770	84948	20,302.57	22,332.83	10/01/2002	NONE	FULL
2001	2557	84948	20,302.57	23,422.96	10/01/2001	NONE	FULL
2000	2467	84948	18,841.46	18,841.46	10/01/2000	NONE	FULL
1999	2157	84948	18,255.33	18,255.33	10/01/1999	NONE	FULL

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<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcIsrcH.do?prclno=1811010005&mapdetail...> 06/11/2009

IMPROVED SALE NO. 1**Property Identification**

Record ID	1318
Property Type	05300 Hotels and Motels
Property Name	Sea Cove Motel
Address	305 North Ocean Boulevard, Myrtle Beach, Horry County, South Carolina
Tax ID	181-10-31-004

Sale Data

Grantor	DRM, LLC
Grantee	William L. Mundy
Sale Date	October 25, 2004
Property Rights	Fee Simple
Verification	Seller & Contract; Confirmed by PK Patel

Sale Price	\$625,000
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Land Data

Land Size	0.193 Acres or 8,400 SF
Front Footage	70 ft Ocean Boulevard
Zoning	TA-80/OZ Downtown TA1
Topography	Generally Level
Utilities	All Available
Dimensions	70' x 120'
Shape	Rectangular

Income Analysis

Potential Gross Income	\$109,497 2002 Figures
Effective Gross Income	\$109,497
Expenses	\$58,709
Net Operating Income	\$50,788

Indicators

Sale Price/Unit	\$36,765
Gross Income Multiplier	5.71
Eff. Gross Income Multiplier	5.71
Overall or Cap Rate	8.13%

Remarks

This is the sale of the Sea Cove motel. The property is a 17-unit second-row motel that was in good condition at the time of sale/contract. Property had 2 penthouses that had good views of the ocean, a good mixture of room types, an outdoor pool and an elevator.

IMPROVED SALE NO. 2**Property Identification**

Record ID	1039
Property Type	05300 Hotels and Motels
Property Name	Americana Motel
Address	2803 North Ocean Blvd, Myrtle Beach, Horry County, South Carolina
Tax ID	181-04-01-002

Sale Data

Grantor	Reynolds & Sons, Inc.
Grantee	Altayla Properties, LLC
Sale Date	January 30, 2003
Property Rights	Fee Simple
Financing	Buyer Carrying a 2nd Mortgage for \$56,000, Amortized for 15 yrs, 2 yr Balloon, Interest of 10%
Verification	Val Trask, Agent; Confirmed by EF Hucks

Sale Price	\$575,000
Cash Equivalent	\$581,970
Adjusted Price	\$581,970

Land Data

Land Size	0.207 Acres or 9,000 SF
Front Footage	60 ft Ocean Blvd
Zoning	TA-80
Topography	Gradual Slope from West to East
Utilities	All Available
Dimensions	60' x 150'
Shape	Rectangular

Income Analysis

Effective Gross Income	\$108,880 Actual 2001
Expenses	\$65,882
Net Operating Income	\$42,998

Indicators

Sale Price/Unit	\$41,569 Adjusted
Eff. Gross Income Multiplier	5.35
Overall or Cap Rate	7.39%

Remarks

This is the sale of the Americana Motel. This is a 14-unit motel plus a manager's quarters that was in good condition at the time of sale. The current owners purchased the property in 1998 for \$520,000, slightly higher than what typical market participants would have paid. The owners have done numerous changes and renovations to the motel, making it superior to the average second-row motel. The buyers plan to continue to run the property as a motel, however, will also run a property management company out of the office. The buyers own numerous condo units at The Palms and will rent these out of the Americana. 2001 revenue estimates were provided by the sellers. 2001 revenue was approximately \$108,880, or \$7,777/unit. Expenses for that year were \$65,882, indicating an NOI of \$42,998. This calculates to an overall cap rate of 7.39%, based on the adjusted sales price. According to the seller and listing agent, however, revenues were lower than what could be expected by a new operator, mainly due to the selectiveness of guests the current owners rented to. With weekly and winter rentals, the agent estimated revenues could be as high as \$140,000, or \$10,000. This is higher than typical second-row motels, but warranted by the quality, condition and location of the motel.

Improved Sale No. 3

Property Identification

Record ID	1659
Property Type	05300 Hotels and Motels
Property Name	Virginian Motel
Address	1810 S. Ocean Boulevard, Myrtle Beach, Horry County, SC
Tax ID	187-01-04-010

Sale Data

Grantor	Michael D. Davis
Grantee	Virginian Motel, LLC
Sale Date	October 10, 2007
Deed Book/Page	3284/1244
Recorded Plat	2/102
Property Rights	Fee Simple
Verification	Other sources: Buyer, Confirmed by PK Patel

Sale Price	\$1,100,000
Cash Equivalent	\$1,100,000

Land Data

Land Size	0.362 Acres or 15.750 SF
Zoning	TA-120
Topography	Level
Utilities	All available
Shape	Rectangular
Depth	175

General Physical Data

Gross SF	15,072
Unit	32 1 Mgr. Quarters

Construction Type	Masonry
Foundation	Concrete
Stories	4
Year Built	1973

Income Analysis

Effective Gross Income	\$270,300
Expenses	\$149,725
Net Operating Income	\$120,575

Indicators

Sale Price/Gross SF	\$72.98
Sale Price/Unit	\$34,375
Floor Area Ratio	0.96
Land to Building Ratio	1.05:1
Eff. Gross Income Multiplier	4.07
Overall or Cap Rate	10.96%

Remarks: The property was purchased by the tenants. This is a limited service, exterior corridor motel with one outdoor pool.

Improved Sale No. 4

Property Identification

Record ID 1665
Property Type 05300 Hotels and Motels
Property Name El Dorado Motel
Address 2800 S. Ocean Boulevard, Myrtle Beach, Horry County, South Carolina
Tax ID 186-08-02-004, 005, & 039

Sale Data

Grantor Ellington, LLC
Grantee Ohm Jai Jalaram Bapa, LLC
Sale Date November 15, 2007
Deed Book/Page 3293/866
Verification Other sources. Public Records, Confirmed by Data base Administrator

Sale Price \$1,815,000
Upward Adjustment \$300,000 Renovations (Est)
Adjusted Price \$2,115,000

Land Data

Land Size 0.755 Acres or 32,900 SF
Utilities All available
Shape Rectangular

General Physical Data

Unit 44

Income Analysis

Effective Gross Income \$440,000 Est. by appraiser
Expenses \$220,000
Net Operating Income \$220,000

Indicators

Sale Price/Unit \$41,250 Actual or \$48,068 Adjusted
Eff. Gross Income Multiplier 4.81
Overall or Cap Rate 10.4%

Remarks

This property was sold at auction. The purchase price at auction was \$1,650,000. The buyer paid an additional 10% buyer's premium on the final bid. The property was to undergo a major renovation. The property has 44 rentable units, a manager's quarters, one indoor pool and one outdoor pool.

Lodging Sale No. 5

Property Identification

Record ID	134
Property Type	Second row
Property Name	Shady Rest Motel
Address	1900 South Ocean Boulevard, Myrtle Beach, Horry County, South Carolina
Tax ID	187-01-03-010

Sale Data

Grantor	WFD Properties, LLC
Grantee	KDC, Inc.
Sale Date	September 09, 2008
Deed Book/Page	3361/1601
Property Rights Verification	Fee Simple Dexter Dorman, Seller; Confirmed by PK Patel

Sale Price	\$1,150,000
Cash Equivalent	\$1,150,000
Adjusted Price	\$1,150,000

Land Data

Land Size	0.362 Acres or 15,750 SF
Front Footage	90 ft Total Frontage: 90 ft Ocean Boulevard
Zoning	TA-120
Topography	Generally Level
Utilities	All Available
Dimensions	90'x 175'
Shape	Rectangular

Construction Type	Masonry
Corridors	Exterior
Stories	3
Amenities	Outdoor Pools

Income Analysis

Average Occupancy Rate	%
Total Revenue	\$256,000 Estimated
Gross Expenses	\$140,800 Estimated
Net Operating Income	\$115,200

Indicators

Sale Price/Room	\$35,938
Expense Ratio	55%
NOI/Room	\$3,600
Overall Cap Rate	10.02%

Remarks

This is the sale of the Shady Rest Motel. The purchaser happened to be lessee of the property. The lease was to expire in October 2008. In January 2008, the lessee negotiated a purchase of the property from the lessor. The property was in poor condition at the time of sale.

Property Data - Property 2

Type and Address

The subject property is located at the corner of Flagg Street and 5th Avenue North, in the City of Myrtle Beach, Horry County, South Carolina. It contains 59,025± square feet or 1.36± acres and is a portion of Tax Map Number 181-10-10-005. Below is a breakdown of the subject's area, the total size of the tax parcel, and the subject's percentage of the tax parcel

Lot Numbers	Size (Sq. Ft.)	Total Size	% of Parent Tract
Lots 4 through 9 (subject)	59,025	76,560	77%
Lots 2 and 3 **	17,400	76,560	23%
181-10-10-005	76,425		100%

** Lots 2 and 3 will be valued later in this report

Legal Description

Property 2 is a portion of Tax Map 181-10-10-005 and is known as Lots 4 through 9 of Block 21 of the Hotel Section. The legal description below includes Lot 18, which will be valued separately in this report and will be known as Property 3. According to Deed Book 409 at Page 224 recorded in the Horry County RMC Office, Lots 4, 5, 7, 8, and 9 have the following legal description:

"All and singular, all those certain parcels or lots of land, together with the improvements thereon, situate, lying and being in Dogwood Neck Township, Horry County, South Carolina, in the City of Myrtle Beach, designated as Lots 4, 5, 7, 8, 9, and 18 in Block 21 of the Hotel Section at Myrtle Beach as shown on map made by Stanley H. Wright, Engineer, dated June 1926, and recorded in the Office of the R.M.C. for Horry County in Plat Book 1, at page 84."

According to Deed Book 469 at Page 270 recorded in the Horry County RMC Office, Lot 6 has the following legal description:

"All that certain piece, parcel or lot of land situate, lying and being in the State of South Carolina, County of Horry, and being known and designated as Lot Six (6) of Block twenty-one (21), according to a map or plat of Hotel Section of Myrtle Beach as made in June and July of 1926 under the supervision of Stanley H. Wright, Engineer; which map or plat is of record in the Clerk of Court's Office for Horry County in Plat Book 1, at page 84, reference to which is hereby made as a part of this description, said lot of land being more particularly described by metes and bounds as follows, to wit:

Beginning at a stake on the Southwest line of Fifth Avenue at the corner common to lots six (6) and seven (7) of block twenty-one (21) and running thence along the dividing line between lots six (6) and seven (7) South 38 deg. 32 min. West one hundred and fifty (150) feet to a stake on the Northeast line of lot eight (8), thence along the dividing line between lots six (6) and eight (8) North 51 deg. 28 min. West fifty-seven and five-tenths (57.5) feet to a stake at the corner of lot five (5); thence along the dividing line between lots five (5) and six (6) North 38 deg. 32 min. East one hundred and fifty (150) feet to stake on the South-west line of Fifth Avenue; thence along the said Southwest line of Fifth Avenue South 51 deg. 28 min. East fifty-seven and five-tenths (57.5) feet to the place of beginning."

Property History

The subject is currently in the name of Americana Motel of Myrtle Beach, Inc., according to Deed Book 469 at Page 270 and Deed Book 1085 at Page 214 recorded in the Horry County RMC Office. The subject has been in continuous ownership for over five years. The motel improvements were constructed in 1955. No responsibility is assumed or implied as to the legal nature affecting title to this property.

Flood Hazard Statement

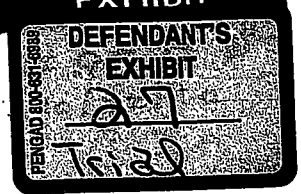
According to Community Map Number 45051C0684 H by the Federal Emergency Management Agency, revised August 23, 1999, Property 2 is within designated Zone X, which is outside the 500-year flood plain. To determine if flood insurance is available, contact the County FEMA officer. Please refer to the exhibit on page 8 of this report.

Zoning

According to the Horry County Planning and Zoning Department, Property 2 is zoned TA-80 / OZ Downtown TA1 by the City of Myrtle Beach. The existing use is a legal use. Please refer to page 34 of this report for more discussion of this zoning classification.

Assessment and Taxes

Property 2 is classified as a portion of Tax Parcel Number 181-10-10-005 per the Horry County Tax Assessors Office. Taxes are paid in arrears based on the previous year's assessment. The subject property taxes are based on a commercial zoning classification. The Horry County Tax Assessor had all lots which comprises Tax Parcel 181-10-10-005, lots 2 through 9, valued for tax purposes for 2003 at \$1,415,800 and allocated as \$410,600 for the land and \$1,005,200 for the improvements. The 2003 real estate taxes for Tax Parcel Number 181-10-10-005 were \$20,769.78 based on a 6% assessment rate and a millage rate of 244.5. The 2003 taxes of \$23,935.25, which included late fees of \$3,165.46 were paid on June 30, 2004. Below is a table summarizing the subject's area and percentage, as the subject encompasses a portion of the tax parcel discussed above.



Complete Appraisal - Summary Report of

BJC ENTERPRISES, INC.
EMERALD SHORES MOTEL
404 N. OCEAN BLVD.
MYRTLE BEACH, SOUTH CAROLINA
Tax Map #: 181-11-01-001 & 002
Our File #C09-049

For
Mr. Marvin W. Best
Vice President
Collections Division
First Palmetto Savings Bank, FSB
407 Dekalb Street
Camden, SC 29020

As of
June 5, 2009

By
C. Vernon Hammond
South Carolina Certified General Appraiser #5782
Palmetto Valuation & Appraisal, LLC

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FPSB_001613

June 5, 2009

Mr. Marvin W. Best
Vice President
Collections Division
First Palmetto Savings Bank, FSB
407 Dekalb Street
Camden, SC 29020

**Re: Appraisal of the Emerald Shores Motel
Located at 404 N. Ocean Boulevard
Myrtle Beach, South Carolina
Owner: BJC Enterprises, LLC**

Our File #C09-049

Dear Mr. Best:

We have prepared a complete appraisal of the above referenced property as of June 5, 2009. The objective of this appraisal is to provide our opinion of the current market value of the Fee Simple Interest based on an "As Is" condition. This appraisal is being reported in a complete, summary format.

This is a Summary Appraisal Report which is intended to comply with the reporting requirements set forth under Standards rule 2-2(b) of *USPAP*, for a Summary Appraisal Report. As such, it represents summary descriptions and discussions of the subject property as well as the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. The appraiser is not responsible for unauthorized use of this report.

The subject property is an ocean front two story stucco veneer structure that houses 62 hotel rooms and a manager's quarters. The improvements on the subject property include 25,260 heated square feet with a total square footage of 34,273. The subject site contains a total of 0.81 acres or 35,280 square feet. The building has been used as a hotel for approximately the past forty years. The subject has frontage on Ocean Boulevard and 280 feet of frontage on the Atlantic Ocean in Myrtle Beach, South Carolina. The site consists of 4 ocean front lots that border the ocean and one second row lot that has approximately 0.19 acres or 8,400 square feet that is utilized for parking. It has approximately 70 feet of frontage on the west side of Ocean Blvd. and contains 22 individual parking spaces. The property is located at 404 N. Ocean Blvd. Myrtle Beach, Horry County, South Carolina.

The reliance of this report is limited to the client; everyone else is considered an

FPSB_001614

unintended user. All information contained within this submitted report is strictly for the sole use of the client, and may not be used for any purpose by another party without the written consent of the appraiser.

Subject to the assumptions and limiting conditions, extraordinary assumptions, hypothetical conditions, certifications, and definitions, the current fee simple market value, based on "As Is" condition, as of the date of inspection is:

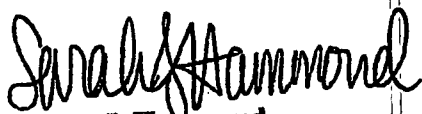
**THREE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS &
no/100's
(\$3,750,000.00)**

If we can be of any further assistance, please do not hesitate to contact us.

Respectfully submitted,



**C. Vernon Hammond
SC Certified General Appraiser #5782**



**Sarah J. Hammond
SC Apprentice Appraiser # AA6314**

FPSB_001615



PALMETTO VALUATION & APPRAISAL, LLC

Mission Statement

Palmetto Valuation & Appraisal, LLC is committed to providing our clients with realistic, reliable residential and commercial appraisal services and development consulting services that will enable our clients to make informed decisions that are vital to their success in the accomplishment of their goals.

We will provide our services to owners, lenders, investors, and developers in a professional manner for fees that are both reasonable and profitable.

PREFACE

An appraisal is a type of research into the law of probabilities with respect to real estate. Through the appraiser's education, training, experience, and integrity, he is able to project sellers' and buyers' past activities into a forecast of real estate value. Because of the individuality and uniqueness of each property, comparisons of like properties often entail adjustments in arriving at a conclusion. Financial consideration for similar properties sometimes reflects sentiment, compassion, bias, politics, specific needs, lack of understanding, and other factors not considered by the impartial appraiser. The appraiser cannot be an advocate; else he belies the reason for his profession.

An appraisal cannot be guaranteed; cannot be proved; however, the opinions of value can be substantiated and justified. The final conclusion is the result of professional analysis of a considerable quantity of physical and economic facts. An appraisal must not be considered absolute, but should be used as a basis for decision making between parties involved in the property, whatever their interests.

With the foregoing in mind, the reader is invited to review the following report, which sets forth the data and reasoning leading to the value estimate of the subject property.

CONFIDENTIALITY OF CLIENT AND PROPERTY INFORMATION

In the early part of the 1980's, the leaders of several professional appraiser organizations saw the need to set forth a common set of professional practice standards. They felt that these standards were necessary to create trust between the general public and the professional appraisers.

The lack of trust was due primarily to the problems which occurred in the 1980's, by what is known as "The Savings & Loan Crisis".

Eight U.S. based professional appraisal organizations plus "The Appraisal Institute of Canada" formed an Ad Hoc Committee which developed the Uniform Standards of Professional Practice (USPAP).

Congress passed Title XI of The Financial Institutions Reform, Recovery and Enforcement Act during 1989. By passing this bill, Congress recognized and authorized USPAP.

The Confidentiality section of the Ethics Provision of USPAP provides the following:

An appraiser must protect the confidential nature of the appraiser-client relationship.

An appraiser must act in good faith with regard to the legitimate interests of the client in the use of confidential information and in the communication of assignment results.

An appraiser must be aware of, and comply with, all confidentiality and privacy laws and regulations applicable in an assignment.

USPAP allows the appraiser to disclose confidential information to the following:

- The client and persons specifically authorized by the client.
- State enforcement agencies and such third parties as may be authorized by due process of law.

and/or

- Duly authorized professional peer review committee, except when such disclosure to a committee would violate applicable law or regulation.

(It is unethical for a member of a duly authorized professional peer review committee to disclose confidential information presented to the committee.)

Types of Information

There are two types of categories of information used by an appraiser to develop their Opinion of Value. They are:

- Public Information
- Nonpublic Information

Public information such as zoning, taxes, flood areas, and sizes of land or building can be obtained within the public domain.

This information can be obtained by the public from the Courthouse, assessor's office or zoning office.

Since this information is a matter of public record, it is not confidential.

Nonpublic information such as current rents, tenant information, sales agreements, future expansion and appraisal results are privileged to the client and intended users of the appraisal report.

Since nonpublic information cannot be obtained within the public domain, it is confidential. This information cannot be divulged to any other than those previously stated in the section.

Palmetto Valuation & Appraisal, LLC pledges to keep all nonpublic information confidential and to recognize it as the property of the client and intended user of this appraisal report.

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GLOSSARY

Addenda – Additional section added to the end of the report, containing maps, photos, and other clarification data.

Accrued Depreciation – Loss in value from any and all causes.

Actual Age – The chronological age of an improvement. This is a number.

Capitalization Rate – A rate of return which is used to convert Net Operating Income into an Indication of Value.

Contract Rent – The rent called for in the Rental Contract or Lease.

Debt Cover Ratio – The number of times that the Net Operating Income will make the mortgage payment.

Discount Rate – The rate of return necessary to attract capital. Also, the rate of which pre-tax income is discounted into its present worth.

Economic Life – The condition of a building expressed in a number of years.

Effective Age – The present condition of the improvement stated in a number of years, i.e. a building may be 20 years old but it looks like it is 10 years old.

Equity – The amount of money an investor puts into an investment.

Equity Dividend – The return an investor receives on his equity (also known as cash on cash).

Expenses – These are the expenses which are charged against real estate. These expenses can either be fixed, such as taxes and insurance, or operating, such as

Unencumbered Fee Simple Ownership – The highest form of ownership. An ownership that is not encumbered by any liens and/or leases.

Vacancy and Credit Loss – This is the amount charged against Gross Potential Income to compensate for any vacancy which the property may experience or loss in rent from tenant failure.

APPRAISAL DEVELOPMENT AND REPORTING OPTION

There are two levels of appraisal development; the Complete Appraisal and the Restricted Appraisal. There are three reporting options; Self Contained Report, Summary Report, and Restricted Report. These are defined below.

A Complete Appraisal is the act or process of estimating value or an estimate of value without invoking the Departure Provision.

Self-Contained Appraisal Report: This is the most detailed and complete reporting option. The length and descriptive detail in such a report should fully support the reasoning and conclusions of the appraiser. This is commonly referred to as a "Full Narrative Report".

Summary Report: Should contain a summary of all information significant to the conclusion of the appraisal report. It is less detailed than a Self-Contained Report.

Restricted Appraisal Report: Should contain a brief statement of information significant to the solution of the appraisal problem. It is intended for use only by the client; everyone else is considered an unintended user.

Development Level and Reporting Option Used

This report is intended to be a Complete Appraisal - Summary Report.

Appraisal Development	Appraisal Reporting
Complete Appraisal	Self-Contained Appraisal
Complete Appraisal	Summary Appraisal
Complete Appraisal	Restricted Appraisal

EXECUTIVE SUMMARY

Name: The Emerald Shores Motel, a 62 room
Motel Building (ocean front & limited service)

Property Location: 404 N. Ocean Boulevard, Myrtle Beach,
South Carolina

Tax Map No.: Front Row - #181-11-01-001 & 181-11-01-002
2nd row - #181-10-01-007

Ownership: BJC Enterprises, LLC
404 N. Ocean Boulevard
Myrtle Beach, South Carolina

Type Property: Commercial

Current Use: Limited Service Motel (62 rooms)

Type Appraisal: Summary Appraisal Report

Utilities: All Public

Municipality: City of Myrtle Beach

Date of Appraisal: June 5, 2009

Date of Inspection: June 5, 2009

Interest Appraised: Unencumbered Fee Simple

Highest and Best Use:
As Vacant: Commercial
As Improved: Budget Limited Service Motel

Land Size: Front Row - 0.81 acres or 35,280sf
Second Row - 0.19 acres or 8,400sf

Building Size: 62 rental Units - Main Building
With Covered Porch/Entrance Way
34,273 - Square Feet Total
25,260 - Heated Square Feet

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Parking:

Adequate Parking

Zoning:

TA 80 – Transient Accommodations District

Flood Map No.:

Per the Flood Insurance Rate Maps for Horry Co. SC, Flood Panel # 45051C0684 and #45051C0697 dated 8/23/99, portions of the subject property appear to be in flood hazard area as designated by FEMA. Recommend that final determination be done by a professional with the appropriate expertise.

Value Conclusions:

Sales Comparison Approach:

\$3,500,000.00

Income Capitalization Approach:

\$4,000,000.00

Market Approach using GIM:

\$3,100,000.00

FINAL MARKET VALUE:

\$3,750,000.00

Marketing Time:

12-24 Months

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APPRAISAL PROCEDURE, FORMAT, AND USE RESTRICTION

Based on our agreement we are using the Direct Sales Comparison and Income Approaches to value. The appraisal is being presented in a summary format which is intended to meet the minimal requirements of such, as specified under Standards Rule 2.2 of *USPAP*. The use and reliance of this report is strictly limited to the client. All others are unintended users. Any other use of this report without our written permission is prohibited.

COMPETENCY STATEMENT

The *Uniform Standards of Professional Appraisal Practice (USPAP)* contains a provision relative to the ability of the appraiser to perform the appraisal assignment in a competent manner. This provision requires that prior to accepting an appraisal assignment; the appraiser must thoroughly and properly identify the appraisal problem and possess the knowledge and experience to adequately and competently complete the appraisal assignment. In the event the appraiser does not possess adequate background and knowledge with which to appropriately address the appraisal assignment, he/she may draw upon or associate with another appraiser or consultant who does possess the necessary background and experience. In those instances where association with another individual was utilized, the name(s) of the individual and the extent of the association is identified herein. Therefore, with respect to the preparation of this report the provisions of the competency requirement have been adequately met.

HYPOTHETICAL CONDITIONS

None.

EXTRAORDINARY ASSUMPTIONS

It is assumed that the facility remains under competent management that is familiar in the operational matters concerning a limited service lodging facility. It is also assumed that all mechanical systems are in proper working order. The appraiser also makes the assumption that the facility improvements are free from any wood destroying organisms or other pests.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraisers, by reason of this appraisal, are not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firms with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
5. That one or both of the appraisers have personally inspected the subject property and finds no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
6. That no termite inspection report was available, and the appraiser assumed the improvements to be free of infestation or damage caused by termites or other wood boring insects.
7. Hazardous Waste: Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraisers' inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

8. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed 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 fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.
9. Wetlands legislation is ever changing and interpretations of their whereabouts are beyond the appraiser's expertise. If wetlands exist and their impact on the value of the subject property are not discussed in this report, the value estimate for the subject will need to be reconsidered by the appraiser and the value conclusions contained herein are not applicable.
10. The liability of Palmetto Valuation & Appraisal, LLC, its employees and independent contractors is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is put in the hands of anyone other than the client, the client make such party aware of all limiting conditions and assumptions of the assignment and related discussions. Further, notwithstanding, anything herein to the contrary, the client will forever indemnify and hold Palmetto Valuation & Appraisal, LLC, and its officers and employees harmless from any claims by third parties related in any way to the appraisal or study which is the subject hereof. Third parties shall include limited partners of client if client is a partnership and stockholders of client if the client is a corporation, and all lenders, tenants, past owners, successors, assigns, transferees and spouses of client. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and /or legally.

SCOPE OF WORK

Scope of Work is defined in the "Uniform Standards of Professional Appraisal Practice", published by the Appraisal Standards Board of the Appraisal Foundation, 2006 Edition, Page 4, lines 147 through 153 as:

SCOPE OF WORK: "the amount and type of information researched and the analysis applied in an assignment."

The Scope of Work can be found on page 14 of the Uniform Standards of Professional Appraisal Practice.

The Scope of Work Rule states that:

For each appraisal, appraisal review, and appraisal consulting assignment, appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the Scope of Work necessary to develop credible assignment results; and
3. Disclose the Scope of Work in the report.

In this appraisal report, the following items were performed:

- Identified the Client and Other Intended Users
- Identified and Inspected the Subject Property
- Defined the Problem to be Solved and the Value to be Estimated
- Legal Description and History

- Highest and Best Use
- Zoning and Taxes
- Flood Maps
- Identified, Collected, Verified and Analyzed Comparable Data
- Applied the Appropriate Valuation Techniques
- Reconcile all Approaches to Value used and Final Opinion of Value
- Prepared Applicable Maps and Drawings
- Dictated and Published the Appraisal Report

This appraisal firm utilizes the Horry County websites to obtain legal information which includes site boundaries, soil types, topography, zoning, ownership and sales history, information on flood zones, flood ways and wetlands.

This appraisal firm also uses the following sources for sales and rental information: Real Estate Information Service or REIS, Costar and Loopnet online comparable sales databases, Horry County/Grand Strand Consolidated Multiple Listing Service, the Marshall and Swift Commercial Cost Manual, Horry County tax assessors website and a large appraisers database of information that Palmetto Valuation & Appraisal, LLC is updating on a regular basis.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the Market Value of the Unencumbered Fee Simple Ownership of the subject property.

Market Value is defined by the Office of the Comptroller of Currency as "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 is acting in what he considers his 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 in the open market.
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.

The subject property is an existing 62 unit limited service hotel commercial building with a two and three story exterior access design situated on 0.81 acres fronting on Ocean Boulevard in Myrtle Beach, SC. The existing facility has served as a limited service motel for approximately the past forty years. Total Square Footage is 34,273, with 25,260 being heated. There is an attached porch/breezeway under roof for easy access to each rental unit. The subject property is 0.81 acres or 35,280 square feet. It is rectangular in shape and is level and on grade to the street. It appears to have adequate drainage. There is an additional parking lot that fronts on Ocean Boulevard that contains 8,400 square feet or 0.19 acres. The site enjoys great visibility from Ocean Boulevard, which parallels the Atlantic Ocean along the entire Grand Strand area of South Carolina. It is conveniently located near the intersection of US Highway 17 and the 17 Bypass. The subject improvements are approximately 40 years old and are in average condition. It has excellent street presence and is located in an excellent area for various types of businesses. The property is located in the old tourist area of Myrtle Beach, South Carolina. Though this area has seen some growth and change over the past few years, there is a very strong sense of community and this is very evident in all local activities. The subject enjoys proximity to an abundance of other retail businesses. There appears to be good demand for this type of property in this general area. Shopping and restaurants are very convenient to the subject property as are a number of large resort and tourist attractions. It is ideally located for its' current use. This is a very desirable area for this type of facility. The area continues to enjoy good growth and the increasing property values indicate this trend will continue for the near future. Though Myrtle Beach has had its share of ups and downs with the recent recession, historically it has been one of the most active markets in the entire state of South Carolina and the entire Southeast region of the United States.



HISTORY AND OWNERSHIP

The subject property is owned by BJC Enterprises, LLC. The site was acquired by the current owner in 2004 from James C. Jurney for \$6,300,000.00. This deed was recorded in Deed Book 2849 at Page 171 for the Register of Deeds for Horry County, South Carolina. The site was acquired in 2004 in anticipation of further development of a high rise upscale resort type development. There have been no other sales or transfers of the property since this date. At the time of acquisition, it was determined that the proposed development was not economically feasible due to the recession and economic slowdown, and so it was decided to continue operation as had been done in the past. The intention was to operate the facility as a limited service budget motel which has been done so since the acquisition date. According to the owners, there was extensive renovations and refurbishing done at that time in order to continue as the Emerald Shores Motel.

SCOPE OF THE APPRAISAL

The work performed in preparing this appraisal included:

- ☐ Visit to the subject property
- ☐ Consideration of the highest and best use of the property
- ☐ Collection and analysis of pertinent sales, rents, leases, operating expenses, construction costs, depreciation, and capitalization and yield rates
- ☐ Use of the Direct Sales Comparison and Income Approaches to value

The information was compiled from interviews with real estate professionals, and research of public records and office files. This is a complete summary appraisal report; as such it represents summary discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value.

USER AND USE OF THE APPRAISAL

The user of this appraisal is the client, FIRST PALMETTO SAVINGS BANK. The intended use is for internal valuation purposes.

EFFECTIVE DATE OF THE APPRAISAL

The effective date of this report is June 5, 2009.

OBJECTIVE OF THE APPRAISAL

The objective of this appraisal is to provide our opinion of the current market value of the fee simple interest of the subject property in the current "As Is" condition.

DEFINITIONS

Market Value: As defined by The *Federal Register*, vol. 55, no. 163, August 22, 1990, pages 34228 and 34229, and found in The Appraisal of Real Estate, (Twelfth Edition), is:

"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 sellers, 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:

- A. Buyer and seller are typically motivated;*
- B. Both parties are well informed or well advised, and each acting in what he considered his own best interest;*
- C. A reasonable time is allowed for exposure in the open market;*
- D. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and,*
- E. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*

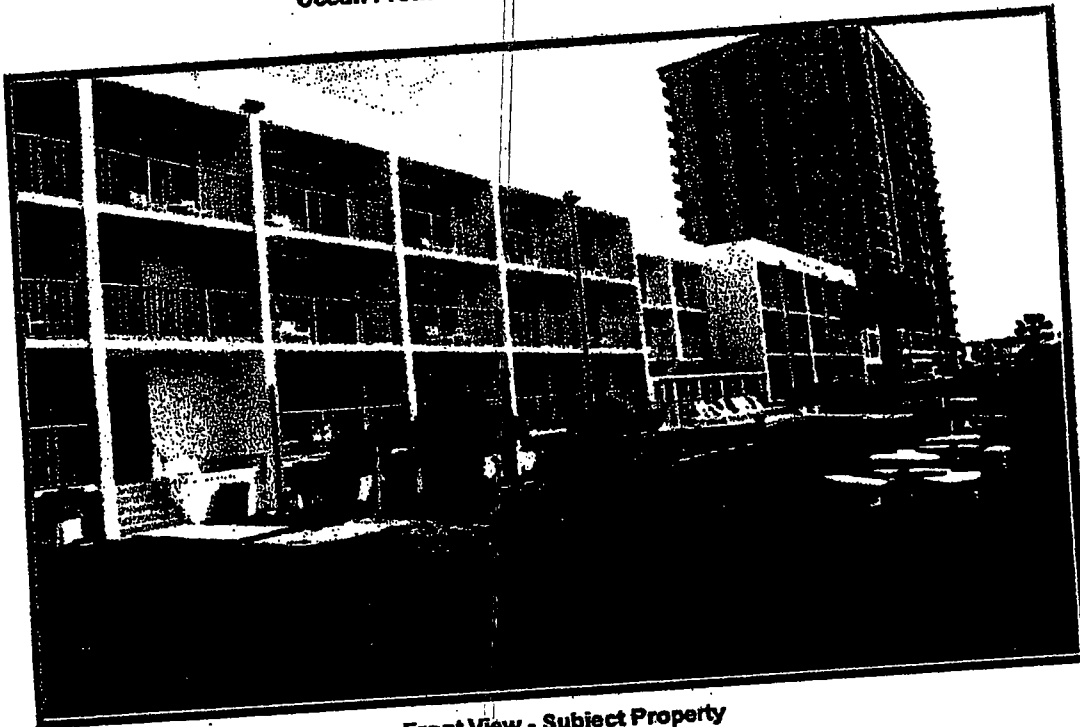
Fee Simple Interest is defined in The Appraisal of Real Estate (Twelfth Edition), as follows: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

SUBJECT PROPERTY PHOTOS

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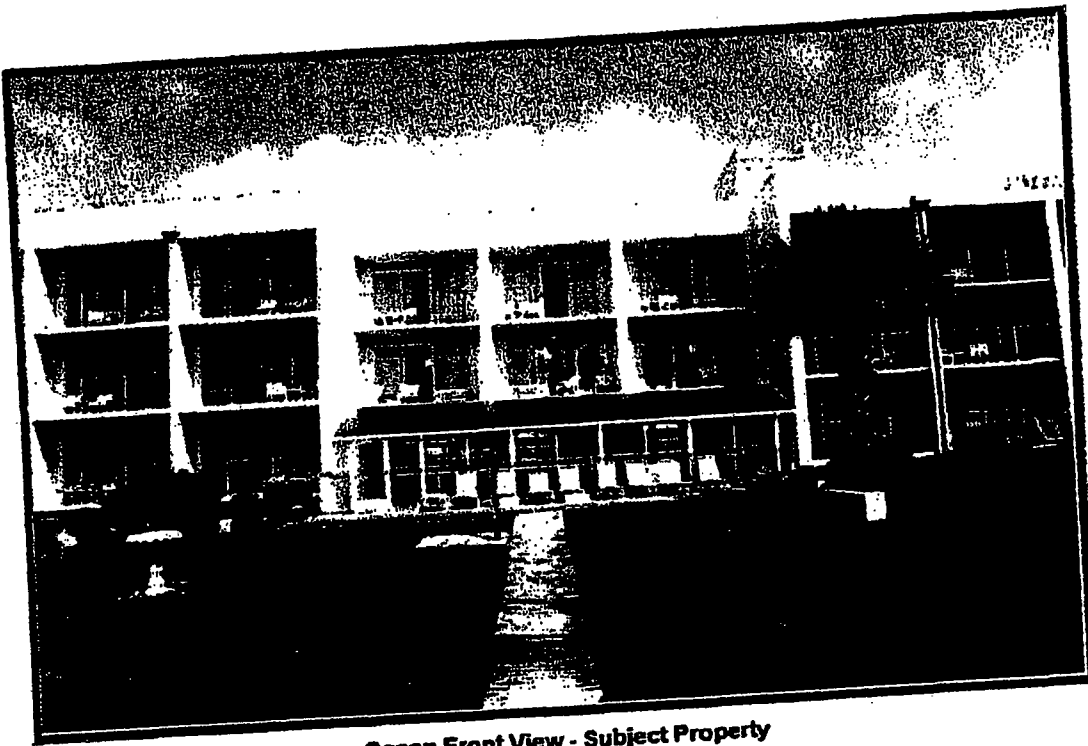


Ocean Front View - Emerald Shores Motel



Front View - Subject Property

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Ocean Front View - Subject Property



Parcel #2 - Emerald Shores Parking Lot

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View from Across Street - 404 Ocean Boulevard, Myrtle Beach SC

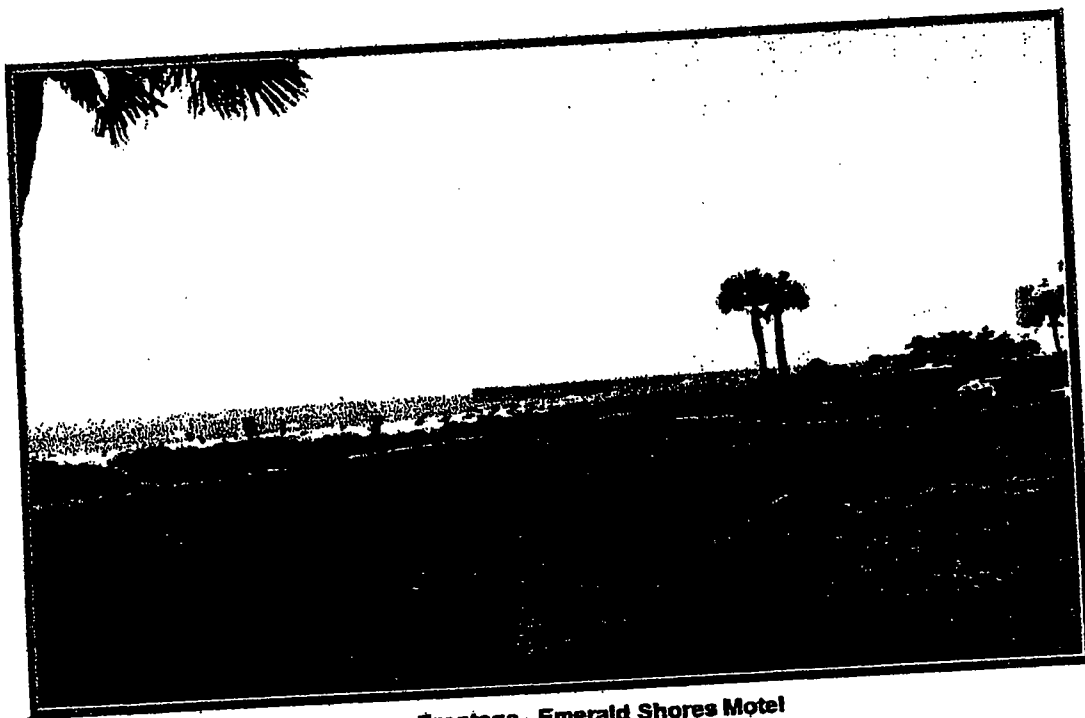


Emerald Shores - Office Area

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Boardwalk - Emerald Shores

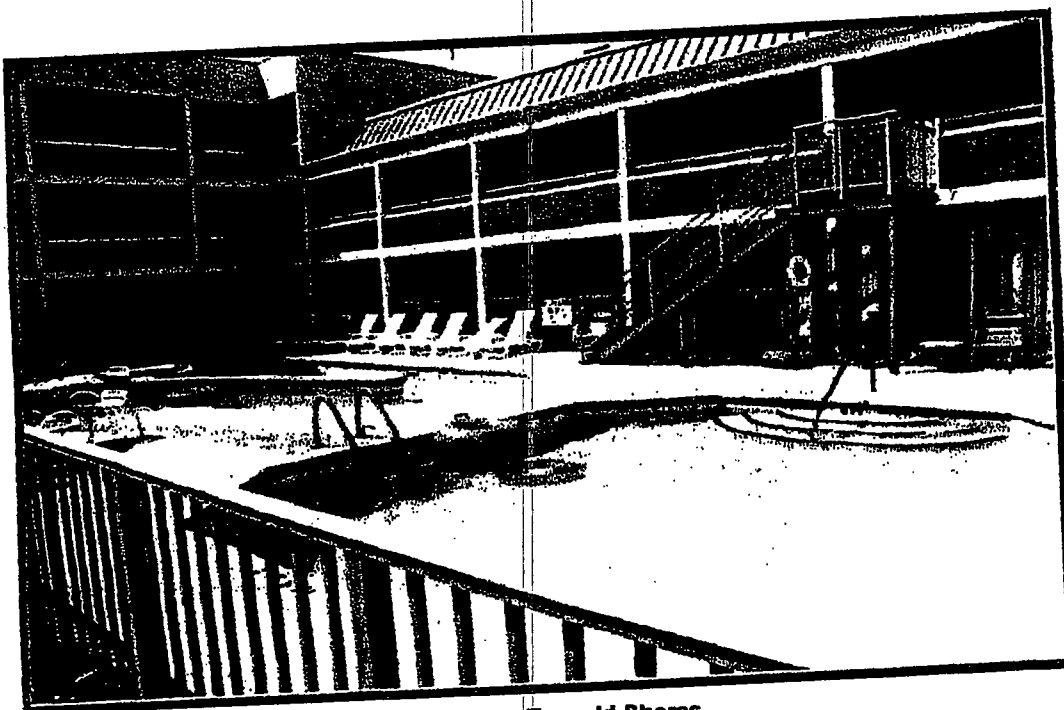


Ocean Frontage - Emerald Shores Motel

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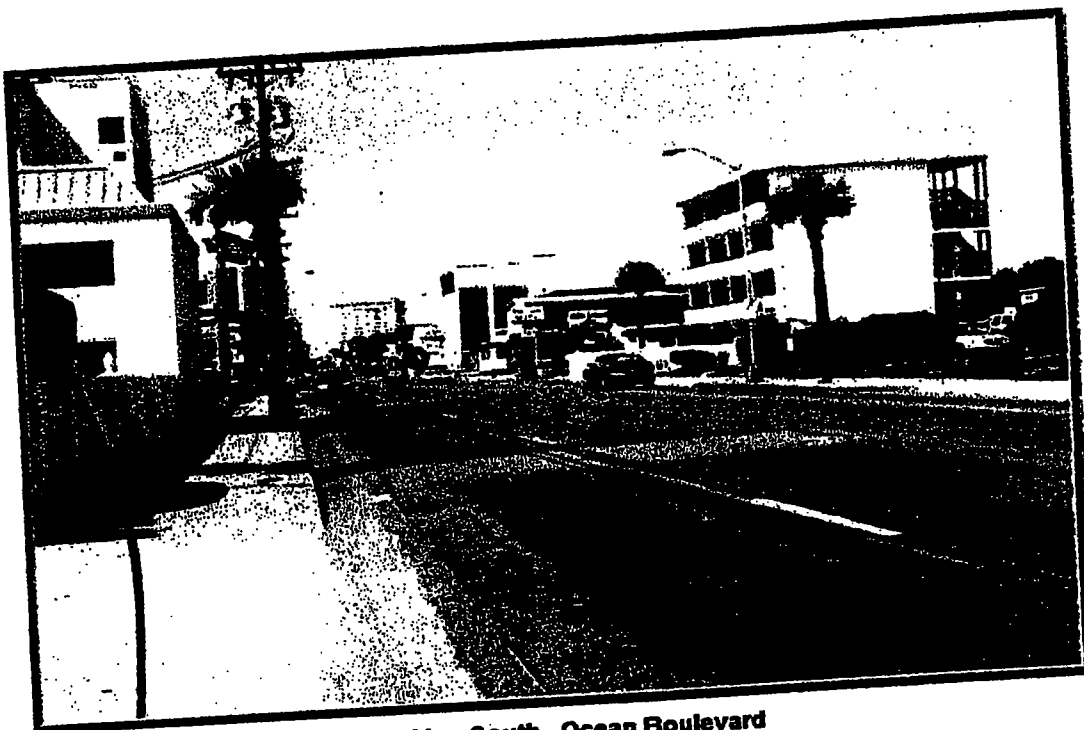


Breezeway/Parking Area - Emerald Shores Motel

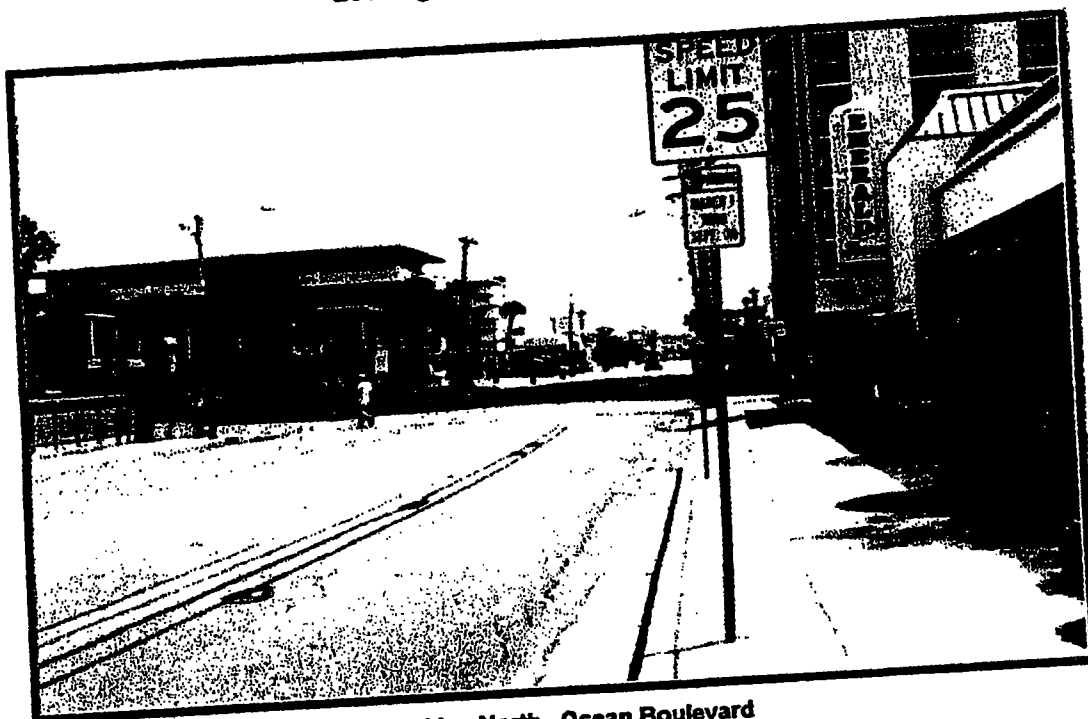


Pool Area - Emerald Shores

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Looking South - Ocean Boulevard

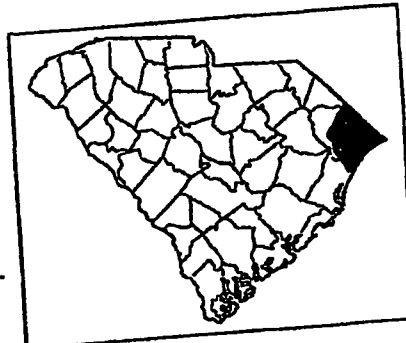


Looking North - Ocean Boulevard

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MYRTLE BEACH/ HORRY COUNTY AREA DATA

The subject property is located in Myrtle Beach in Horry County. Horry County is a coastal county in South Carolina. Its coastal location makes Horry County a hub for recreation and business in South Carolina. As of the 2003 census, there were 210,757 people, 81,800 households, and 54,478 families residing in the county. Horry is one of the state's fastest growing counties.



Horry County offers something for everyone. The area is blessed with an abundance of natural beauty, outdoor recreational opportunities, and mild climates with year-round activities. Due to its coastal location, the area provides attraction for tourists, as well as citizens looking for a relaxed environment.

BRIEF HISTORY

The northeastern corner of South Carolina, known as Horry (pronounced O-REE') County, is a diverse land of rivers, beaches, forests and swamps. Horry County is bordered on its eastern side by the Atlantic Ocean and on its western side by Georgetown County, the Great and Little Pee Dee Rivers and Drowning Creek, also known as the Lumber River, and on the north by North Carolina. The Waccamaw River runs through the eastern half of the county. In the middle to late 1800s, the county was sometimes referred to as "the Independent Republic of Horry", a nickname that had a humorous beginning and referred to politically independent minded people.

Horry County has been inhabited for at least ten thousand years. The area that is today Horry County was once the home of the Waccamaw tribe, a Siouan people.

In 1663, the area we now know as South Carolina and North Carolina was part of land granted to eight powerful Englishmen, known as the Lords Proprietors, by King Charles II of England. The western boundary of the land grant was the "South Seas". In 1729, all but one of the Lords Proprietors sold their interest in the grant to England's King George II who later dispatched surveyors to lay out eleven townships in South Carolina in order to develop the "back country" of the Carolina Province. Kingston Township, located on the Waccamaw River, was one of those original townships. The village located within the township was called Kingston, now known as Conway.

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Early surveyors found a wilderness that would draw fur traders, second sons of English nobility, and adventurous settlers seeking land. Many went seeking religious freedom. Those of wealth and consequence bought or were granted large tracts of land.

As these settlers slowly moved into the Horry County area, then known as Craven County, some settled along the coast to fish the Atlantic Ocean and its inlets. As a result, the coastal fishing village of Little River developed and is one of the oldest settlements in the county. The fur trade continued to flourish but the naval stores industry and farming eventually became prevalent. In the 1700s and early 1800s, indigo was a major cash crop for the coastal area. The indigo was harvested from plants introduced to the area and from them a dye was made that was very much in demand in Europe. Several indigo plantations were situated along the Horry County coastline. Cattle and pigs were also important commodities in this area, just as they were throughout early coastal South Carolina.

From the earliest days of Horry County's history up until the latter half of the 19th Century, the naval stores industry was prominent in Horry County. The seemingly inexhaustible supply of pitch, pine tar, turpentine, and a variety of other naval products supplied many Horry County citizens with the majority of their income until the industry tapped out all of the natural resources needed for the production of naval stores and moved southward in the late 1800s.

Horry citizens, like other colonists, could be separated into two main groups as the British American colonies approached 1776. Those known as Whigs wanted to break all ties with England. On the opposite end were the Tories who remained loyal to the throne.

The Horry County area saw small skirmishes during the Revolutionary War. General Francis Marion, known as the "Swamp Fox" for his ability to disappear into the swamps, had relatives in the area and passed through on occasions. Many of "Marion's Brigade" came from the Horry County area, which was then a part of Georgetown District. Col. Peter Horry served under General Marion, and the two combined to eventually rid the area of the British.

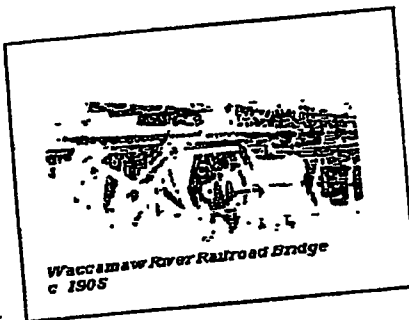
A planter of French Huguenot descent, Peter Horry (O-REE') was born in SC ca. 1747. A lieutenant colonel in the Revolution and later brigadier general in the SC Militia, he represented Prince George Winyah and All Saints parishes in the SC House and Senate. In 1801, Kingston County, which had been formed from Georgetown District in 1785, was renamed Horry District for Peter Horry. He died in 1815 and is buried at Trinity Episcopal Church in Columbia, SC.

The years between the Revolutionary War and War Between the States were peaceful: new commerce and settlers entered the county. The Tariff of 1828, enacted to protect northern industry by imposing duties on imported goods, enraged southern cotton growers

who mostly traded with England. This, along with the famous 1857 Dred Scott decision, a Supreme Court case that ruled against the exclusion of slavery in states, served to further divide the country.

These issues brought three ideologies to the forefront, Secessionists, Unionists, and Cooperationists. The Secessionists strongly believed a state that had joined the Union voluntarily, should, at will, be able to withdraw. The Unionists, on the opposite side of the issue, just as strongly believed that a state may have the legal right to withdraw, but it was not morally correct to do so. In the middle of this heated debate, were the Cooperationists. This group agreed that a state had both the moral and legal right to withdraw, but felt that cooperation was more productive.

In 1860, southern states sent delegates to a convention to discuss the issue of Secession. In December of that year, South Carolina, a staunch state's rights supporter, was first to adopt an Ordinance of Secession. Horry County, while not aggressively Secessionist, joined the "Cause" as soon as South Carolina seceded. On April 12, 1861 cadets from the Citadel, SC's military college in Charleston, fired on Federal forces at Fort Sumter in Charleston harbor as they were attempting to re-supply the fort which SC argued was state property. The War had begun. The thundering sound of the bombardment in Charleston Harbor could be heard in Horry District.



Although no major battles were fought in Horry, the Civil War had a major impact on the county. Somewhere around 90 percent of the county's white male population marched off to war. They saw fighting on nearly all of the major battlefields. Many of these men, young and old alike did not live to return to Horry District again. Most military activity in the area during that time involved the Union naval blockade of our coast.

While Horry's men fought for Southern independence, the women, left alone, faced outrageous prices, a Diphtheria epidemic which killed many children, and, in the closing days of the war, roving bands of deserters. The county seat, which had originally been named Kingston but renamed Conwayborough after another Revolutionary War figure, Robert Conway, was raided early in 1865. Also, early in the year of 1865, Union troops aboard gunboats, fresh from Maine, sailed up from Georgetown to Conwayborough and occupied the county seat.

After the War Between the States economic progress gradually returned to the area. The first train pulled into Conway in mid-December of 1887. This era also saw an end to the naval stores industry that the area's economy had depended on since the arrival of the first settlers. With the profits of cotton falling, the farmers of Horry started turning to tobacco as a cash crop in the late 1890s.

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In 1900, the Conway & Seashore Railroad was established from Conway to the seashore at Long Bay and the new town at the end of the tracks was named Myrtle Beach, named after the native Wax Myrtle shrub which grew behind the dunes. Burroughs & Collins Co. built the first hotel at the beach and named it the Seaside Inn. The new resort was first used by Conway residents.

In 1898, Conwayborough shortened its name to Conway and was finally incorporated after being founded 166 years earlier in 1732. Loris, a stop on the railroad leading to Chadbourn, NC, grew quickly as a market for the tobacco growers. It was incorporated in 1902. The town of Aynor was laid out in 1911 in the western section of the county and connected to Conway and Myrtle Beach by the Conway Coast & Western Railroad tracks. It was incorporated in 1914.

Several important events for Horry County occurred in the period between the dawning of the 20th century and the start of World War I. The first automobile was seen in Conway in 1906 and Paul Quattlebaum, the son of a local leader, brought electric lights to the area. A new Horry County courthouse was dedicated on May 22, 1908. It was the third courthouse to serve the area. The former one, located on Main Street in Conway and completed in 1825, was designed by Robert Mills, the designer of the Washington Monument, and is currently used by Conway city government as the Conway City Hall.

In response to German submarines that had patrolled off the coast of the eastern United States during World War I, the United States Congress commissioned the Intracoastal Waterway in 1919. When finished in 1936, the Waterway stretched across the coastal section of the county, connecting Little River to Socastee Swamp and the Waccamaw River. The final portion of the Waterway to be completed was in Horry County. The official national dedication and opening of the Waterway was held in Socastee at the site of the existing turn-bridge.

Even though the Stock Market crashed in 1929 and the great Depression followed in 1930, most county residents persevered. The average resident was a farmer, used to the daily struggle to survive. Myrtle Beach continued to grow and was eventually incorporated in 1938. Other improvements to the area at that time included the establishment of the Myrtle Beach State Park which opened in early 1934.

When war once again came to the U.S. on December 7, 1941, Germans once again patrolled off of the South Carolina coast. It was not uncommon to hear explosions or see oil slicks and debris along area beaches. The Intracoastal Waterway became an important means of marine transportation as it provided a safe route for boats. It was common to see German soldiers on the streets of Myrtle Beach and Conway. These soldiers were German prisoners of war being held at a camp in Myrtle Beach. The soldiers were often allowed much freedom and many worked in the local communities. In the name of national

defense, the United States Army took over 100,000 acres between the Intracoastal Waterway and present day Highway 90, forcing over 300 families to relocate. The land was used to establish a bombing range and flight school.

Horry's men, never ones to wait for a draft, volunteered in droves to fight for their country. The ladies, most of which were left behind as in other wars, formed a branch of the USO in Myrtle Beach, while some enlisted and served overseas in various capacities. Horry's men and women served their country in exotic places and many made the ultimate sacrifice.

During the 1950s, the Grand Strand continued to grow into a family vacation destination. Growth was stunted temporarily by Hurricane Hazel which came ashore north of Myrtle Beach in October of 1954. The devastation was compounded by its arrival during high tide. The category 4 hurricane left much of the Grand Strand in ruins. The rebuilt Grand Strand was little like its southern, ocean side resort predecessor. Investors with large capital discovered the investment potential and took the opportunity Mother Nature offered to replace the single family cottages and small oceanfront hotels with large hotels and golf courses.

GOVERNMENT

Myrtle Beach operates under the Council-Manager form of government, in which the City Council sets policy and hires a full-time professional city manager as chief executive officer to oversee day-to-day operations of the city and its staff. Tom Leath is the City Manager.

The City Manager's Office includes the City Clerk, the Office of Budget and Evaluation, the Public Information Office and the Risk Management Office. John Pedersen and Ron Andrews are the Assistant City Managers. Myrtle Beach has approximately 780 full-time employees.

The City Clerk is ex-officio clerk of the city council. The clerk shall give notices of meetings, post the agenda, attend regular and special meetings, record votes of council, keep minutes of council meetings and perform such other duties as may be assigned by the city manager. Joan Grove is the City Clerk.

The Office of Budget and Evaluation is responsible for producing the city's budget and other financial documents each year, as well as overall financial planning for the city and debt management for capital improvement projects. Mike Shelton is the Budget Director.

The Public Information Office issues news releases, responds to media inquiries and provides background information on city services, programs and projects. The office publishes a monthly and quarterly newsletters and an annual report, and serves as webmaster for the City of Myrtle Beach home page. The department also programs and

manages MBTV, Channel 15 on the Time Warner Cable System. City Council meetings are broadcast live on this channel. Mark Kruea is the Public Information Officer.

The Risk Management Office is responsible for the protection of the assets of the City against losses, which may adversely affect its operation and continuity of services. This is done through a program of identifying and assessing hazards and loss exposures and by selecting the best technique to avoid, control, assume or transfer the risk. The Risk Management Office manages the insurance program, including the workers compensation program, employee safety training, safety committees, environmental safety, accident investigation and emergency protocols. Val Rosser is the Risk Manager.

MEDICAL SERVICES

At Conway Medical Center, they've made the future of healthcare a reality of today. Building on more than 70 years of experience, the center has launched a new era in healthcare for the community with the opening of their expanded facilities. CMC is harnessing the marvels of modern technology with features like their brand new state-of-the-art cardiac catheterization lab. They've fulfilled their vision to offer today's most advanced diagnostic and surgical procedures. And they've made a commitment to healthier tomorrow with the opening of The BirthPlace – the maternity care center of the future. Certified as a Level II Perinatal Center and a Level III Trauma Center. CMC prides itself on bringing their community excellent health care.

Loris Healthcare System serves northwestern Horry County and the coastal communities of the North Strand area in South Carolina; and southern Brunswick and Columbus counties in North Carolina. Our healthcare system is comprised of Loris Community Hospital, Seacoast Medical Center, Center for Health & Fitness, Loris Extended Care Center, and Family Health Centers in Loris and Green Sea.

Grand Strand Regional Medical Center is a 219-bed acute care hospital serving residents and visitors of Horry and surrounding counties. The hospital offers the only cardiac surgery program in Horry and Georgetown counties and is also a designated trauma center. In 2008, the hospital performed close to 400 heart surgeries, delivered 1000+ babies and treated over 66,000 Emergency Department patients. This hospital, located in the heart of Myrtle Beach, has more than 250 physicians, over 900 staff members and over 200 hospital volunteers to serve you.



EDUCATION

Horry County Schools is a county-wide school district in coastal South Carolina serving more than 37,000 students. It is the third largest among the state's 85 districts, and has nine attendance areas.

The district has a total of 48 schools which include 26 elementary schools, eleven middle schools, nine high schools, two academies, a Scholars Academy, an Early College high school, and an alternative school.

Horry County is also home to seven private schools, including Christian and Catholic schools servicing all ages.

Coastal Carolina University (CCU or Coastal) is an independent, state-supported university in Conway, South Carolina, located eight miles (13 km) west of Myrtle Beach, South Carolina. Founded in 1954, Coastal became an independent university in 1993. The University enrolls approximately 7,500 undergraduate and 500 graduate students on its 307 acre campus. Baccalaureate programs are offered in 40 major fields of study, along with graduate programs in education, business administration (MBA) and coastal marine and wetlands studies. The school is composed of its main campus in Conway and also offers courses in Litchfield, Myrtle Beach, North Myrtle Beach and Georgetown. The University is a Sea-grant institute and owns Waites Island, a 1,105-acre (4.47 km²) barrier island which serves as a natural laboratory.

No matter your academic and career goals, Horry-Georgetown Technical College can help you get there. HGTC offers more than 70 programs of study in today's hottest career fields, pre-baccalaureate degree transfer programs, including a Bridge Program with neighboring Coastal Carolina University, and skills-specific training along the beautiful South Carolina coast. Also, the College offers learning at three physical locations and online, to make college education accessible. Plus, HGTC's tuition is only 40% of what students pay at most South Carolina four-year colleges and universities.

RECREATION

The Horry County and Myrtle Beach area is known for its vast recreational opportunities. From sandy beaches to active night life, there is something for everyone to experience in this part of the state. There are also festivals year round.

The Riverfest festival in Conway features country, beach and boogie music, children's entertainers, an Artisans Market, bass fishing tournament, a three-day USTA-sanctioned tennis classic, kayak races, a homemade river raft race, boat parade and so



much more! There are two run areas, the area located near the Peanut Warehouse and the Riverfront Park area, simultaneously.

The Sun Fun Festival on the Grand Strand kicks off the summer season with music, celebrities, beauty pageants, air shows, parades and anything else you can pack into four days of celebration and fun. The Sun Fun Festival is most noted for the Miss Sun Fun and Miss Sun Fun Teen Pageants. The Sun Fun parade brings locals and visitors alike out in droves to see area floats, marching bands, clowns and more parade along Ocean blvd in an unforgettable extravaganza. Each year the area builds a bigger sand castle to top the previous years world record for the world's biggest sand castle. There are many kid's activities and breath taking air shows. The official four day Sun Fun Festival is a well-known and anticipated start-up for the summer season in Myrtle Beach SC. It continues through the summer with an outdoor, family friendly, concert series and comes to a close with the renowned Beach Boogie and BBQ Festival at the end of August.

The Veteran's Golf Tournament in Myrtle Beach is a way to celebrate those who've sacrificed much for our nation, and a chance for everyone to get together in a relaxed environment. Military Veterans, active Military personnel and their families from across the country come together in Myrtle Beach for fun, great golf and camaraderie. This three-round team tournament features a different format each day and is flighted based on the combined team handicap. Singles are always welcome and will be paired with other players by the event staff.

CONCLUSION

Horry County and the Myrtle Beach area offer a variety of activities to its residents. Also, due to the mild climate, activities in the area are enjoyed year round. The coastal location provides opportunities for shopping, dining, outdoor recreation, and business opportunities. The area is therefore benefited with a broad based, stable economy, which is positively impacted by government. The above information is just a fraction of what this area has to offer.

The Grand Strand region is a wealth of activity and enjoyment. The area includes a various social makeup with its related assortment of cultural, historic, and entertainment offerings, and the area has a pleasant climate and desirable location. The Grand Strand area has all the necessary municipal and private facilities necessary to make it very competitive with other areas of the state. The economic, governmental, social and environmental considerations, which influence real estate, appear to be in balance in the Grand Strand area.



IMPROVEMENT DESCRIPTION

Use: Commercial Limited Service Budget Motel

Type: 62 Rooms; Class "C" construction per Marshall and Swift Valuation Service; average quality motel building

Size: Total Square Feet - 34,273
Heated - 25,260
Manager's Quarters
Front Office Area
62 Rental units

Foundation: Concrete slab

Exterior Walls: Stucco Veneer

Windows: Plate Glass

Exterior: Brick Veneer & Stucco

Roof: Built up flat tar & gravel /metal sheeting

Floor Finish: Carpet and tile

Ceiling: Sheetrock

Interior Walls: Sheetrock

Heat and A/C: 100%

Lighting: Florescent/Drop Tiles Acoustical Ceilings

Eff. Age/Cond.: 20 years/Average

Land/Building Ratio: Adequate

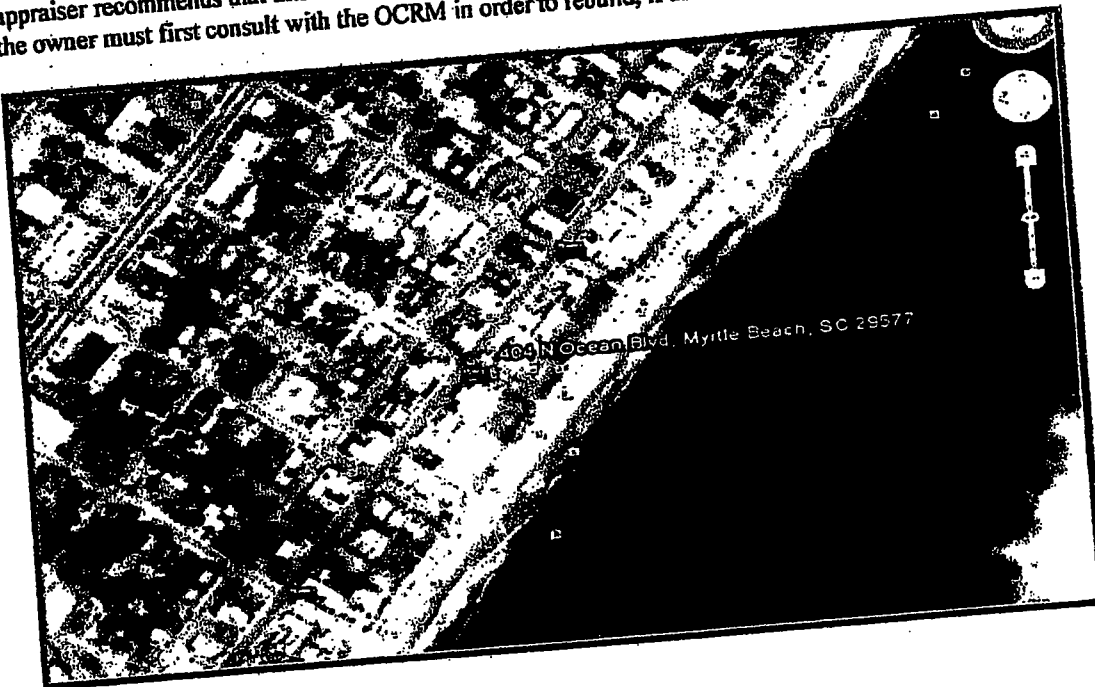
Parking: 22 spaces/adequate though nonconforming with current zoning

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SITE DATA

The subject site is a rectangularly shaped parcel with an effective size that contains a total of 0.81 acres or 35,280 SF. The site is level and slightly above road grade with adequate drainage. According to Flood Map 45051C0684 and Flood Map 45051C0697, dated August 23, 1999, portions of the subject do appear to lie in a flood hazard area. Final determination should be done by a qualified expert. All public utilities are available. The subject site is an assemblage of 4 ocean front lots that enjoy 280 feet of frontage on the Atlantic Ocean. This parcel houses a 62 unit limited service motel called the Emerald Shores. There is a second row lot that is also included with the subject that contains 8,400 square feet and has 70 feet of frontage on the west side of Ocean Boulevard. It houses 22 parking spaces that are utilized by guests of the Emerald Shores Motel. No adverse easements or encroachments are noted. No detrimental environmental conditions are noted upon inspection. The site is located in the beach resort area near the Pavilion area of Myrtle Beach, which is desirable for many commercial uses. Zoning authority is the City of Myrtle Beach. The site enjoys excellent visibility and has good proximity to developed shopping areas. The site is slightly above road grade and gently slopes to the front of the lot. The interior of the lot is essentially level and has adequate drainage. Located centrally within this tourist community, it is ideally suited for its present use as a limited service motel. The subject is centrally located and in close proximity to many shopping and restaurants. This area has enjoyed meteoric commercial growth in the past few years and has changed greatly in uses and diversification. It enjoys good proximity to many tourist attractions in the area. There are abundant retail and commercial facilities throughout the area. Though there have been many ups and downs in the past few years due to the growth in 2005 and since then the subsequent economic downturn, the future looks promising for the Myrtle Beach community and Horry County.

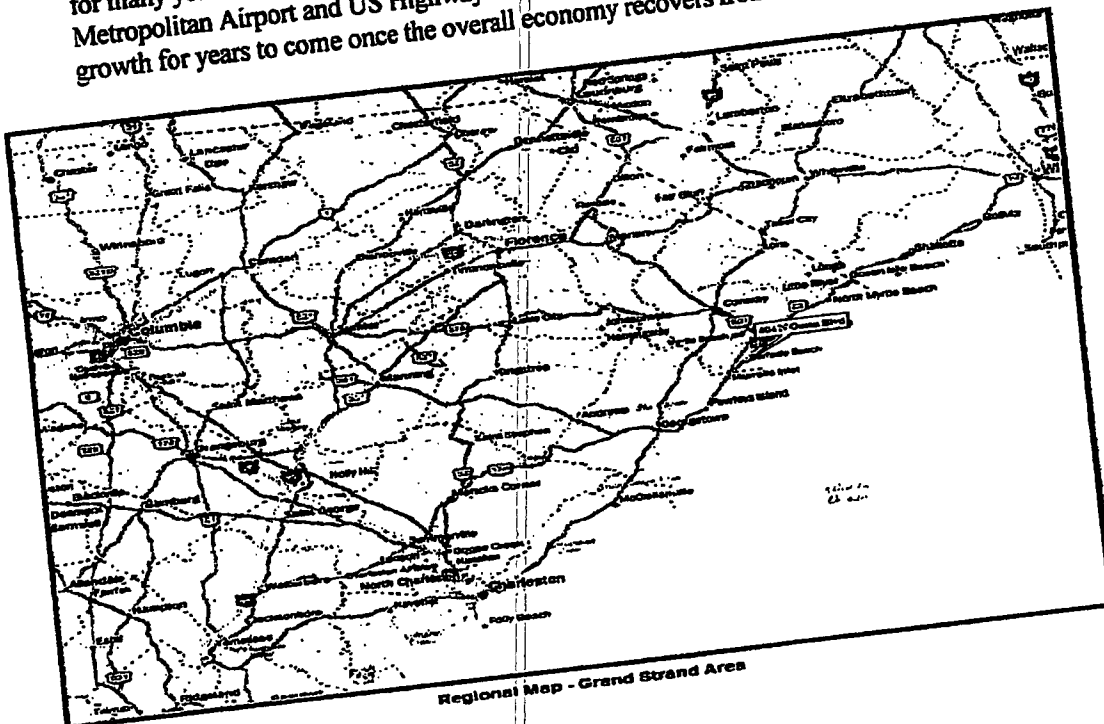
The site is subject to the restrictions from the Beachfront Management Act as administered by the South Carolina Office of Ocean Coastal Resource Management (OCRM). No current 40 year setback lines, established by the OCRM, were provided to the appraiser. From the inspection and review of a previous survey, it appears that the building improvements are sufficiently landward to comply. The appraiser recommends that this be verified with the OCRM. If the improvements were to be destroyed, the owner must first consult with the OCRM in order to rebuild, if allowed to do so.



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COMMENTS:

The subject property lies in the heart of the tourist area of Myrtle Beach, Horry County, South Carolina, on approximately 0.81 acres or 35,280 square feet. As such, local zoning ordinances protect the integrity of the neighborhood and all properties within. This is a desirable area of Myrtle Beach for this type of facility. The site improvements consist of a 62 room limited service motel facility. The building improvements were first constructed in 1962 and expanded in 1995. They have been remodeled and refurbished several times since then, most recently within the past 12 months. It is in fair to average condition from both an exterior and interior standpoint and is well suited for the area. There is noticeable deferred maintenance in both the rooms and the common areas. The parking lot appears to have some drainage problems and is in need of resurfacing. The building is of the same general appearance and quality as the other older tourist facilities in the area. It is fully functional in its current use and is consistent with the use of similar type motels. It is outdated as compared to the newer luxury high rises that have been constructed along the coast. This area of the Grand Strand has remained stable in the past years with some limited commercial and residential development. There was meteoric growth in both the commercial and retail sectors with 2005 being the "boom" year. Since then, there has been a dramatic reduction in both commercial and residential building that has left the entire area with a surplus of properties. The entire area has been adversely affected in overall commercial and retail activity. The subject had been scheduled for demolition to make room for an upscale tourist facility but those plans were scrapped due to the economic downturn and recession. It is now being run as a limited type service motel as it had been for many years. The subject is also located in good proximity to the Myrtle Beach Metropolitan Airport and US Highway 17. The area should enjoy commercial and retail growth for years to come once the overall economy recovers from its recent recession.



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ZONING

The subject property is zoned TA -80, Transient Accommodations, by the City of Myrtle Beach, and the property is in compliance with zoning.

ASSESSMENT AND TAXES

The property is identified as Tax Map Parcel#181-11-01-001 and #181-11-01-002 valued at \$1,166,000.00 and \$1,243,800.00 respectively. The 2008 taxes were a total of \$40,556.93. The second row parcel is identified as TMS#181-10-01-007 and is valued at \$194,200.00. The 2008 taxes on this parcels was \$3,268.39.

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HIGHEST AND BEST USE

According to The Appraisal of Real Estate, highest and best use is defined as: "The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."

When considering the highest and best use of a property, four criteria should be considered. The possible uses should be:

- 1) Physically Possible
- 2) Legally Permissible
- 3) Financially Feasible
- 4) Maximally Productive

The highest and best use of the subject will be the continued use of some type of tourist accommodations use. This would take advantage of the maximum allowable density for development, as well as the oceanfront location and the large tourist base of the Grand Strand. Demolition and redevelopment or modification of the existing improvements would result in several alternative uses of the improvements. These changes could result in a use that would be just as financially feasible as the present use. Alternative uses could be that of a new high-rise luxury type motel or condominiums when the current oversupply is absorbed or any other compatible uses with complete demolition of the existing improvements. Since it is believed that when the economy rebounds from the current recession, the value of the land will exceed the value of the motel plus the costs of demolition and removal, it is the appraiser's opinion that the subject property's highest and best use will be as vacant land or the removal of the existing improvements, which will allow for construction of an accommodations structure, most probably a high-rise. This would allow for maximizing the value of the site and potential of its location.

A grid analysis has been included in the report to reflect a reconstructed operating statement utilizing the Income Approach to value. The appraiser has also utilized the Gross Income Multiplier method in determining value as it relates to other similar type lodging facilities. This is assuming that most leases for this type of property is negotiated on a triple net basis with the tenant being responsible for real estate taxes, hazard insurance and all utilities. The Sales Comparison Approach has also been utilized for this valuation with numerous similar sales in the market area. The Cost Approach will not be used in the valuation process due to the age and undeterminable amount of accrued depreciation and/or functional obsolescence. Because of these factors, it is believed that the Cost Approach would be an unreliable estimate of value. Due to the short nature of the lease, a "Fee Simple Interest" market value will be the objective of this report. In other words, the "Leased Fee Estate" interest and the "Fee Simple Interest" market value are deemed to be one in the same for appraisal purposes.

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VALUATION PROCESS

There are three commonly accepted approaches used in valuing real estate. These are the Cost, Sales Comparison, and Income Approaches. Based on the second edition of The Dictionary of Real Estate Appraisal the three approaches are described as follows:

1) Cost Approach

That approach in appraisal analysis in which the value is derived by estimating the current cost to build a replacement or a reproduction of the subject improvement, deducting all accrued depreciation and adding the land value estimate. This approach is particularly applicable when the property being appraised is a relatively new improvement which represents the highest and best use of the land.

2) Income Approach

That procedure in appraisal analysis which converts anticipated benefits (dollar income through rentals) of property into a value estimate. The Income Approach is widely applied in appraising income-producing properties. Anticipated future income and/or reversions are discounted to a present worth figure through the capitalization process.

3) Direct Sales Comparison Approach

That approach in appraisal analysis in which the value estimate is derived by comparison with similar properties which have sold. A unit of comparison is identified and the dissimilarities between the subject and the sales are adjusted.

Approaches Used in Valuation of the Subject

At the clients request this assignment is being reported as a Complete Appraisal using the approaches described above. After discussion with the client, it has been determined that most reliable approaches would be the Income Approach and the Sales Comparison Approach. Due to the age and condition of the subject property, it would be difficult to determine the amount of accrued depreciation and functional obsolescence. With this in mind, the Cost Approach has been deemed somewhat unreliable and will not be used in this report. Each approach has an individual section in the report. There is an accompanying grid analysis for each approach to value.

DIRECT SALES COMPARISON APPROACH

The Sales Comparison Approach is used to estimate a value for a property through the comparison of sales of similar properties. This approach is based on the principle of substitution and assumes no prudent purchaser will pay more for a particular property than a similar substitute property. When using the Sales Comparison Approach, a sufficient number of sales are needed in order to establish a market pattern. When this pattern is established, the subject property can be analyzed to determine how the subject relates to this pattern. The value per SF is the most reliable unit of comparison for valuing the subject.

Data Search

Several comparable sales were located and researched. To find these sales local multiple listing sales information, the public records of the Grand Strand Area, Horry, and Georgetown Counties, and our appraisal files are reviewed. The sales used in this analysis are summarized below.

Sale #	Adj. Sales Price	Sales Date	Size(SF)	SP/SF
1	\$4,000,000	November 2004	75 rooms	\$53,333/unit
2	\$4,450,000	January 2003	88 rooms	\$50,568/unit
3	\$3,150,000	July 2004	50 rooms	\$63,000/unit
4	\$2,675,000	January 2003	42 rooms	\$63,690/unit

Locations of Sales and Comments

- 1 Atlantic Paradise Motel, 1401 S. Ocean Blvd., Myrtle Beach, SC
- 2 Beachcomber Motel, 1705 S. Ocean Blvd., Myrtle Beach, SC
- 3 Days Inn on the Ocean, 2104 N. Ocean Blvd., Myrtle Beach, SC
- 4 Summerwinds Motel, 1903 S. Ocean Blvd., Myrtle Beach SC

An adjustment grid is provided showing the adjustments to the comparable sales. Based on these sales a value of \$55,000.00 per room is well supported. Because the comparable sales were in similar conditions and age of the subject, no adjustment has been made. The value is calculated below.

$$62 \text{ Rooms} \times \$55,000.00 \text{ per room} = \$3,410,000.00$$

Rounded to \$3,500,000.00

On the following page, the appraiser has completed a detailed market grid analysis illustrating the comparable improved sales utilized in the market approach.

IMPROVED SALE # 1

Property Identification

Record ID	1373
Property Type	05300 Hotels and Motels
Property Name	Atlantic Paradise Motel
Address	1401 S. Ocean Blvd, Myrtle Beach, Horry County, South Carolina
Tax ID	187-01-06-016

Sale Data

Grantor	Kersi S. Schroff
Grantee	Royal Scotsman Inn
Sale Date	November 10, 2004
Deed Book/Page	2820/504
Property Rights	Fee Simple
Verification	Mr. Ashwin Patel, Buyer; Mr. Kersi S. Schroff, Seller; Confirmed by PK Patel
Sale Price	\$4,000,000

Land Data

Land Size	0.634 Acres or 27,617 SF
Front Footage	75 ft. S. Ocean Blvd. & Ocean
Zoning	TA-80
Utilities	All Available
Dimensions	Rectangular

Income Analysis

Potential Gross Income	\$825,000 Estimated by buyer
Effective Gross Income	\$825,000
Expenses	\$495,000
Net Operating Income	\$330,000

Indicators

Sale Price/Unit	\$53,333
Gross Income Multiplier	4.85
Overall or Cap Rate	8.25%

Remarks

The property reported revenues of \$666,846 in 2003, with an NOI of \$168,201. The motel, however, is only in operation from April through September. Purchaser owns the adjacent property and expects to increase revenues and reduce expenses through economies of scale. Buyer expects to gross \$825,000 (\$11,000 per unit). This would indicate a GIM of 4.85. After applying a 60% expense ratio to the revenue, NOI indicated is \$330,000. This indicates an OAR of 8.25%.

IMPROVED SALE # 2

Property Identification

Record ID	1152
Property Type	05300 Hotels and Motels
Property Name	Beachcomber Inn & Suites
Address	1705 S. Ocean Blvd, Myrtle Beach, Horry County, South Carolina
Tax ID	187-01-04-001

Sale Data

Grantor	Hampton and Yon Family Trust & Flagship Partners, LP
Grantee	Beachcomber Inn, LLC
Sale Date	January 17, 2003
Deed Book/Page	2559/0269 & 0255
Property Rights	Fee Simple
Verification	Buddy Lindsay, Buyer; Confirmed by E.F. Hucks
Sale Price	\$4,450,000

Land Data

Land Size	1.155 Acres or 50,324 SF
Front Footage	159 ft. Ocean Boulevard
Zoning	TA-80
Topography	Gradual Slope Towards Ocean
Utilities	All Available
Dimensions	Rectangular

Income Analysis

Effective Gross Income	\$1,009,236 Estimated by Buyer
Expenses	\$571,538 Estimated by Buyer
Net Operating Income	\$437,698

Indicators

Sale Price/Unit	\$50,568
Gross Income Multiplier	4.97
Overall or Cap Rate	8.73%

Remarks

This is the purchase of two separate oceanfront motels that were, after purchase, operated as one motel. The combined motels have one main office, two swimming pools, and 88 units. Of the 88 units, 41 are direct oceanfront units. The units were in fair condition at the time of the sale, however, have since been renovated and are in good condition. The buyers also own the Hampton Inn & Suites motel located just south of the subject motel buildings. The buyer plans to operate the properties over the next few years and ultimately demolish them for redevelopment.

IMPROVED SALE # 3

Property Identification

Record ID	1256
Property Type	05300 Hotels and Motels
Property Name	Days Inn on the Ocean
Address	2104 N. Ocean Blvd, Myrtle Beach, Horry County, South Carolina
Tax ID	181-04-18-007

Sale Data

Grantor	JBS Inc. II
Grantee	Caledonia Development of SC, LLC
Sale Date	July 22, 2004
Property Rights	Fee Simple
Verification	Contract; Confirmed by J. McNeill
Sale Price	\$3,150,000

Land Data

Zoning	TA-80 & TA-120
---------------	----------------

Income Analysis

Effective Gross Income	\$931,557 (2002 Figures)
Expenses	\$542,032
Net Operating Income	\$389,525

Indicators

Sale Price/Unit	\$63,000
Gross Income Multiplier	3.38
Overall or Cap Rate	12.37%

Remarks

This sale included an oceanfront lot (TM# 181-04-18-007) that was improved with an 8-story, 50 unit motel building and a third row lot (TM# 181-03-31-006). The oceanfront lot was 11,000 SF in size, while the third row lot was 9,000 SF in size. The seller of the property has agreed to manage the property for the buyer for a management fee charge. The motel was in good condition at time of sale. Recent income figures indicate room revenue/unit of approximately \$18,631/unit.

IMPROVED SALE # 4**Property Identification**

Record ID	1085
Property Type	05300 Hotels and Motels
Property Name	Summer Winds Motel
Address	1903 S. Ocean Blvd, Myrtle Beach, Horry County, South Carolina
Tax ID	187-01-03-003

Sale Data

Grantor	Summer Wind Motel, Inc.
Grantee	Arthur G. Dodson, Jr.
Sale Date	January 9, 2003
Deed Book/Page	2555/58
Verification	David Perkins, Seller, Confirmed by PK Patel
Sale Price	\$2,675,000

Land Data

Land Size	0.568 Acres or 24,742 SF
Front Footage	90 ft. Atlantic Ocean
Zoning	TA-80
Topography	Slope toward Ocean
Utilities	All Available
Dimensions	90' x 275'
Shape	Rectangular

Income Analysis

Effective Gross Income	\$475,000 Estimated by Seller
Expenses	\$273,000 Estimated by Seller
Net Operating Income	\$202,000

Indicators

Sale Price/Unit	\$63,690
Gross Income Multiplier	5.63
Overall or Cap Rate	7.55%

Remarks

This is the sale of a 42 unit oceanfront motel located in Myrtle Beach, SC. After purchase, the buyer made numerous renovations to the motel, which the seller estimates costing around \$175,000. Renovations included exterior paint, new carpet, new 31" televisions, new furniture and new beds. Prior to selling, the seller had already installed new tubs. Also, according to the seller, room revenues have consistently been above \$10,500/unit with most recent figures estimated at around \$475,000, or approximately \$11,300/unit. Room revenues have consistently been on the rise in the past few years, according to the seller. Expenses were estimated by the seller to be approximately \$6,500/unit, or approximately \$273,000. This indicates an NOI ratio of 42.53%.

Market Grid Improved Sales					
Emerald Shores, 404 North Ocean Blvd., Myrtle Beach, SC					
	421 N. Ocean Blvd. Myrtle Beach	Admiral Paradise Motel 1401 S. Ocean Blvd. Myrtle Beach SC	Beachwatcher Inn & Suites 1708 S. Ocean Blvd. Myrtle Beach SC	Ocean Inn on the Ocean 2104 N. Ocean Blvd. Myrtle Beach SC	Summer Winds Motel 1907 S. Ocean Blvd. Myrtle Beach SC
	Subject	Sale 1	Sale 2	Sale 3	Sale 4
Sales Price		\$4,000,000	\$4,450,000	\$3,150,000	\$2,675,000
Adjustments (+/-)		\$0	\$0	\$0	\$0
Adj. Sales Price		\$4,000,000	\$4,450,000	\$3,150,000	\$2,675,000
Date of Sale		November-03	January-03	July-04	January-03
Number of Rooms	62	5	65	50	42
Effective Age	30	21 years	22 years	20 years	10
Condition	average	average	Same	same	same
Gross Income Multiplier	4	5	3	3	3
Expense Ratio	0.60	0.66	0.63	0.68	0.66
NOI per Room	\$2,993.0	\$400.00	\$673.61	\$790.00	\$600.00
Sales Price per Room		\$53,333.00	\$50,568.00	\$63,000.00	\$63,690.00
Intangible Adjustments					
Property Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple
Adjustment		0%	0%	0%	0%
Financing & Condition of Sale		Market	Market	Market	Market
Adjustment			0%		
Market Conditions		Stable	Stable	Stable	Stable
Adjustment		0%		0%	6%
Adjusted Price/SF		\$53,333.00	\$50,568.00	\$63,000.00	\$63,690.00
Physical Adjustments					
Location	OF Myrtle				
Size	62				
Age Condition	30 yrs				
Land to Building Ratio	good	same	same	same	same
Net Adjustments		0%		0%	0%
Indicated Value per Room		\$53,333.00	\$50,568.00	\$63,000.00	\$63,690.00
Mean Value per Room				\$57,647.75	
Number of Rooms	X		Super room	=	Value
62	X		\$55,000.00	=	\$3,410,000
				Rounded	\$3,500,000

INCOME APPROACH

Technique of the Approach

The Income Capitalization Approach is the process whereby a property's ability to generate income is analyzed and quantified into a present value estimate. This approach is appropriate when valuing income producing real estate which generates an income stream to the owner through rent.

In the Income Capitalization Approach there are three major steps:

- Step 1** Estimate gross income less expenses deriving net operating income for each of the specified periods
- Step 2** Select an appropriate discount factor or capitalization rate
- Step 3** Apply the discount rate and/or capitalization rate to the appropriate income stream to indicate a present value estimate

Income Approach to Lodging Facilities

In order to take a "market look" at the subject's income potential, the appraiser has investigated the market for similar properties that exists. In canvassing the market, there is a wide variance in the potential gross income in the market area. Factors that influence this may be just as varied. Location, size, and condition of the building as well franchise values associated with name recognition also play a huge role in the rental rates for these units. The appraiser has determined that these rates can range anywhere from \$40.00 to \$100.00 per night per room. As mentioned earlier, The Income Approach is based on the premise that an investor will pay a certain price for a property in anticipation of future benefits. The benefits, in the case of a lodging property, are the cash flows generated from the operation of the motel or hotel enterprise. Once these benefits or cash flows have been quantified, they can be then capitalized into a value estimate.

There are several steps that must be done in order to arrive at a value estimate for the property. First, we must estimate the amount of gross income that our property can reasonably produce. Secondly, we must reduce this amount by an appropriate vacancy factor. We know that the property will not be at full occupancy 365 days per year. Third, we must estimate the expenses that will be incurred in maintaining and operating the business. Fourth, a deduction from the gross income must be made for these expenses to arrive at a net operating income. In the final step, we must capitalize this net operating income into a final estimate of value. This is usually derived through a procedure known as direct capitalization or through a discounted cash flow analysis. A more detailed explanation of direct capitalization and how it pertains to this assignment can be found on the following pages.

Potential Gross Income (PGI)

The subject property is an existing property so we will employ historical data to estimate the potential gross income. We know that we will have 62 rooms available for rent 365 days per year at some daily rental rate. We must first determine what would be an acceptable daily room rate that would be readily accepted by the public and remain competitive in the market area with similar properties. This Average Daily Room Rate, or ADR, will be determined by reviewing the operating history of the subject property and seeing what they have been getting in terms of an ADR over the past few years. With the addition of competing properties it is imperative to use recent data in the determination of the ADR because it is fluid and subject to change very quickly, therefore it is imperative that primary reliance is placed on the most current data.

In reviewing the market and the operating history of the subject property, it would appear that an ADR of \$54.00 per night is well within the market norms. Using this figure we can estimate the Potential Gross Income of the subject property as follows:

$$62 \text{ Rooms} \times \$54.00 \text{ ADR} \times 365 \text{ days} = \$1,222,020.00 \text{ annually}$$

Once the potential gross income of the subject property has been determined, we must deduct an allowance for vacancy and credit loss. This is referred to in the industry as the Occupancy Rate. This can be difficult to estimate but once again, we will rely on the historical operating information provided to us by the owners.

Market information can be very hard to derive since owner/operators are usually reluctant to give out any confidential information on their businesses. This information can be difficult to obtain and is sometimes unreliable. In checking resources with many trade industry groups it appears that most of the occupancy rates fall between 55% and 73%. In speaking with the owner, as occupancy levels have gone down in some past times, he is able to raise the ADR in order to maintain income streams. Using historical operating information as the primary basis, the appraiser believes that a stabilized occupancy rate of around 60% is reasonable for this property. An occupancy rate of 60% is the same as a vacancy rate of 40%.

By taking the PGI of \$1,222,020.00 and making a deduction for vacancy of 40%, or \$488,808.00, we can arrive at an Effective Gross Income of \$733,212.00.

Expenses

The subject property being appraised is a lodging facility that could be run by one family or group of people, which can greatly reduce the operating expenses. Many of these type limited service facilities are family run operations in which the family even lives on site in the manager's quarters. In conversation with other owner operators and appraisers that have experience in appraising these types of facilities, many suggest that a frugal owner can run the property so efficiently that total expenses can average less than 50% of gross sales. A table giving market indication of operating expenses for limited service hotel facilities in the market area is found below for the client's review.

Total Operational Expense Table - Limited Service Properties	
Source of Data / Property Location	Total Expenses as a Percentage of Gross Revenues
Hotel Operating Statistics-2006	58.4%
Trends in the Hotel Industry-2006	66.5%
48 Rooms, Columbia, SC	59.1%
42 Rooms Columbia, SC	53.5%
99 Rooms, Dalton GA	71.1%
70 Rooms, Yemassee, SC	72.2%
128 Rooms, Dalton, GA	69.8%
Average	65.8%

The data summarized above clearly demonstrates that most limited service type properties have total operating expenses between 55% and 73% of effective gross income. This may vary from year to year based on a number of things from labor costs to energy costs. They also do include management fees of 2% to 4% and up to 3% for replacement reserves. The management fees should be considered even if it is family run as if the property was ever purchased or foreclosed on, this expense would be incurred regardless of ownership. At this point, we have actual expenses of 64% and market based expenses of 68%. The appraiser believes that a suitable expense load for the subject property would be somewhere on the low end, say around 50% or \$366,606.00.

Determination of Net Operating Income

To determine a reasonable estimate of Net Operating Income (NOI), the total percentage of estimated expenses as calculated above should be deducted from the Effective Gross Income (EGI) or the effective room revenue estimate, which is \$733,212.00. This would result in a Net Operating Income for the subject property of

$$\text{\$733,212.00 (EGI) less \$366,606.00 (Operating Expenses) = \$366,606.00 (NOI)}$$

$$\text{\$366,606.00 (NOI) / 62 rooms = \$5,913.00 NOI per room.}$$

Value Indication Using the Gross Income Multiplier Analysis

After speaking with a number of lodging professionals and brokers, it appears that in most cases the value of lodging and motel facilities is determined by the income they can generate more than any other factor. It would also appear that the most widely used method of determining the value of limited service lodging properties is through a Gross Rent Multiplier. This is calculated by dividing the selling price by that particular property's gross room revenues for the trailing year. After a review of the comparable sales GIM, it appears that they range anywhere from a low of 3.38 to a high of 5.63, with an average GIM of 4.83. Since all of these comparables were in similar condition to the subject, the appraiser feels that a selection in the middle of the range is appropriate.

In reviewing the sales available, it is the appraiser's opinion that a reasonable multiplier for the subject property would be around 5.0. Using this figure, we can develop a value conclusion as follows:

$$\text{\$733,212.00 (EGI) x 5.0 (Gross Income Multiplier) = \$3,666,060.00 value}$$

Rounded to \\$3,100,000.00

Direct Capitalization

We reviewed the results of the Korpacz Real Estate Investor Survey for the Fourth Quarter of 2008. The "Overall Rates" from that survey are shown in the following table.

		
		
		
KORPACZ Overall Cap Rate - 4th Quarter 2008		
Market	Overall Cap Rate Range	Overall Cap Rate Average
National Regional Mall	5.00%-9.50%	6.96%
National Power Center	6.00%-10.00%	7.57%
National Strip Shopping Center	5.80%-9.00%	7.49%
National CBD Office	4.50%-10.00%	7.14%
National Suburban Office	5.50%-11.00%	7.59%
National Flex/R&D	5.50%-10.00%	7.76%
National Warehouse	5.00%-9.00%	6.73%
National Apartment	3.80%-8.50%	6.13%
Average		7.17%

The rates shown from the national survey are fully supported by local market transactions. Based on knowledge of the current market, the appraiser concluded that an Overall Capitalization Rate (Ro) of 9.0% is most applicable for the subject. Overall rates for good quality owner-occupied buildings are at or near the lower end of the range. Using direct capitalization the value is \$4,073,400.00 rounded to \$4,000,000.00. A reconstructed operating statement is included for the client's review.

Operating Income Statement

Emerald Shores, 404 N. Ocean Blvd., Myrtle Beach, South Carolina

Potential Gross Income

<u># of rooms</u>	x	<u>ADR</u>	x	<u>Annual Rent</u>
62		\$51.00	x 365 days	\$1,222,020

Total Potential Gross Income @ 100% Occupancy \$1,222,020

Less Vacancy & Collection Loss -0.00% \$483,808

Effective Gross Income \$733,212

Operating Expenses:

Fixed:	Total	Per SF	% EGI
R & Taxes	Tenant	\$0.00	0.00%
Insurance	Tenant	\$0.00	0.00%
Variable:			
Management	\$0	\$0.00	
Utilities	Tenant	\$0.00	0.00%
Repair & Maint.	\$0	\$0.00	
Total	\$0		

Replacements \$0.00

Total Operating Expenses 50.00% \$366,606

Estimated Net Operating Income \$366,606

Direct Capitalization Process:

<u>NOI</u>	-	<u>Ro</u>	=	<u>Value</u>
\$366,606		9.0%		\$4,073,400
		Rounded		\$4,000,000

RECONCILIATION AND FINAL VALUE ESTIMATE

The following value conclusions are indicated from the three approaches to value used in this analysis.

Direct Sales Comparison Approach	\$3,500,000.00
Income Approach	\$4,000,000.00
Market Approach using GIM Method	\$3,100,000.00

The overall value per SF is the most commonly used unit of comparison in today's market. Based on these approaches the current fee simple market value, based on current "As Is" condition, as of June 5, 2009 is:

THREE MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS
(\$3,750,000.00)

MARKETING AND EXPOSURE TIME

The estimated marketing time for the property is twelve months to twenty four months. This marketing time is also estimated as the needed exposure time for the property.

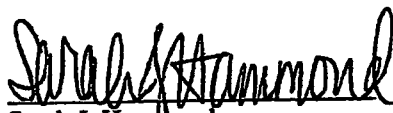
CERTIFICATE OF THE APPRAISER(S):

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- We have made an exterior inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- C. Vernon Hammond is Certified General appraiser, #CG5782, duly licensed and certified by the State of South Carolina. He has met the continuing education requirements as mandated by the South Carolina Real Estate Appraisers Board.
- Sarah J. Hammond is a licensed Apprentice Appraiser # AA6314, with the State of South Carolina and has met the continuing education requirements as mandated by the South Carolina Real Estate Appraisers Board.



C. Vernon Hammond
SC Certified General #5782



Sarah J. Hammond
SC Apprentice Appraiser # AA6314

FPSB_001671

QUALIFICATIONS OF THE APPRAISER

CHARLES VERNON HAMMOND

EXPERIENCE

- Served in various capacities for the past 30 years in all lending aspects of banking to include commercial lending, mortgage lending, asset valuation and appraisal review functions
- Currently serves as the senior review analyst, Internal Asset Review Committee, of First Palmetto Savings Bank, F.S.B.
- Currently serves on the Senior Finance Committee responsible for all Commercial Loan reviews in excess of 1 million dollars with sole responsibility for all Asset Valuation determinations

EDUCATION

- Distinguished Military Graduate
B.S., Business Administration, 1979
The Citadel, Charleston, South Carolina
- Commissioned, Second Lieutenant, United States Army
- Graduate, United States Army Engineer School
U.S. Army Corps of Engineers, 1980
Fort Belvoir, Virginia/ Honorably Discharged, U.S. Army Reserve, 1996

Appraisal Courses/Seminars:

L1 – Real Estate Appraisal Principles / 2003
L2 – Market Data Analysis / 2003
L3 – Uniform Standards Update (USPAP) / 2003
CR – Uniform Residential Appraisal Report / 2003
C1 – Income Property Appraisals / 2006
C2 – Advanced Income Capitalization Procedures / 2006
C3 – Applied Income Property Valuation / 2006
CE – HP – 12C Financial Calculator Seminar / 2006
CE – Discounted Cash Flow Analysis Seminar / 2006
CE – Timber & Timberland Evaluation Seminar / 2007
CE – How to Beat the Review Appraiser at His Own Game / 2007
CE – Uniform Standards Of Professional Appraisal Practice / 2007
CE – Effective Appraisal Writing – 2008
CE – Maintaining Control – Dealing with Client Pressure / 2008
CE – Analyzing Distressed Property/2008

FPSB_001672

CE - Valuation of REO; Foreclosure and Pre-Foreclosure/2009
CE - Business Practices & Ethics - 2009

- Associate Member, The Appraisal Institute

EMPLOYMENT HISTORY

- May 1979: Security Federal Savings & Loan Association
Columbia, South Carolina
Management Associate
- December 1981: Security Federal Savings & Loan Association
City Executive, Vice President
Bishopville, South Carolina
- May 1984: Security Federal Savings & Loan Association
City Executive, Vice President
Camden, South Carolina
- February 1986: Palmetto State Savings Bank
Senior Vice President, Mortgage Lending
Camden, South Carolina
- November 1990: First Palmetto Savings Bank, FSB
Senior Vice President, Mortgage Lending and Branch Operations
Camden, South Carolina
- Presently serving as: Senior Vice President
Commercial & Residential Lending Divisions
Appraisal Review and Asset Valuation
First Palmetto Savings Bank, FSB
Camden, South Carolina

Palmetto Valuation & Appraisal, LLC
1105 Broad Street
Camden, South Carolina 29020

South Carolina Certified General Appraiser
#CG5782

FPSB_001673

QUALIFICATIONS OF THE APPRAISER

SARAH J. HAMMOND

EDUCATION/LICENSING

- Graduated from Camden High School, June 1998
- Graduated from Clemson University, August 2005
B.A. in Political Science, Minor in Business Administration
- Licensed Insurance Bank Products Specialist, State Farm Insurance
August 2004
- Licensed Insurance Agent by the State of South Carolina,
Property & Casualty, August 2005
- Licensed Apprentice Appraiser # AA6314 by the State of South Carolina,
December 2007
- Notary Public, State of South Carolina

Appraisal Courses/Seminars:

L1 – Introduction to Real Estate Appraisal / September 2007
L2 – Valuation Procedures / September 2007
L3 – 15 Hour National USPAP Course / September 2007
CR – Applied Residential Property Valuation Case Study / September 2007

McKissock CE – 7 hour Residential Report Writing / June 2008
McKissock CE – Mortgage Fraud: Protect Yourself / June 2008

EMPLOYMENT HISTORY

- January – August 2003: Public Relations Assistant
The United Way of Kershaw County, SC
- August 2003 – August 2004: Legal Assistant
The Law Office of M. Scott Rankin, Camden, SC

FPSB_001674

- **August 2004 – August 2005: Bank Products Specialist
Maggie Waldrep State Farm Agency, Anderson, SC**
- **August 2005 – September 2008: Property & Casualty Insurance Agent
Larry DiBiase State Farm Agency, Camden, SC**
- **September 2008 - Present: Licensed Apprentice Appraiser SC # AA 6314
Palmetto Valuation & Appraisal, LLC, Camden, SC**

ADDENDA

FPSB_001676

PROPERTY DATA — PROPERTY 1

Legal Description

Property 1 consists of four oceanfront lots and a second row lot. The oceanfront lots are designated as Tax Parcels 181-11-01-001 and 181-11-01-002. The oceanfront lots are also identified as Lots 1 through 4, Block 4 of the Hotel Section of Myrtle Beach. The second row lot is designated as Tax Parcel 181-10-10-007. The second row lot is also identified as Lot 2, Block 13 of the Hotel Section of Myrtle Beach.

According to Deed Book 2798 at Page 1498 recorded in the Horry County RMC Office, the oceanfront lots have the following legal description:

"ALL AND SINGULAR, all those certain lots or parcels of land, together with the improvements thereon, situate, lying and being in Dogwood Neck Township, Horry County, South Carolina, designated as Lots 1 and 2 in Block 4 of the Hotel Section as shown on map of Myrtle Beach made by N.C. Hughes, Engineer, dated November 1933 and recorded in the Office of the ROD for Horry County in Plat Book 1 at Page 116."

"ALL AND SINGULAR, that certain piece, parcel or lot of land, situate, lying and being at Myrtle Beach, Dogwood Neck Township, County and State aforesaid and being Lot Number Three (3) of Block Four (4) of the Hotel Section as shown on map of Myrtle Beach made by N.O. Hughes, Jr., Engineer, dated November 1933 and recorded in the Office of the ROD for Horry County in Plat Book 1 at Page 116, reference to which is craved as forming a part of these presents."

"ALL AND SINGULAR, that certain piece, parcel or lot of land, and the buildings and furnishings therein, situate, lying and being at Myrtle Beach, Dogwood Neck Township, County and State aforesaid, and being Lot No. Four (4) of Block Four (4), having an ocean frontage of seventy (70) feet and a depth of One Hundred Thirty (130) feet as shown on map of Myrtle Beach Hotel Section made by N.C. Hughes, Jr., engineer, dated November 1933 and recorded in the Office of the ROD for Horry County in Plat Book 1 at Page 111, to which reference is craved as forming a part of these presents."

"From the above described lot, the South Carolina State Highway Commission or the Town of Myrtle Beach owning a four (4) foot strip adjacent to Ocean Blvd and this said four (4) foot strip across the back of the above described lot is excepted from this conveyance."

According to Deed Book 2798 at Page 1498 recorded in the Horry County RMC Office, the second row lot has the following legal description:

"ALL AND SINGULAR that certain piece, parcel or lot of land situate, lying and being in Dogwood Neck Township, County and State aforesaid, and more particularly described as Lot Two (2), Block 13, Hotel

Section, as shown on a map made by Robert L. Bellamy, C. E., for Mary Lee Powell dated April 20, 1960 recorded in Plat Book 29 at Page 116, in the Office of the ROD for Horry County, South Carolina."

Property History

Property 1 is currently under contract for \$6,300,000 with James C. Journey, as the seller, and Wendy Jones, as the buyer. The subject is currently in the name of James C. Journey. Property 1 was transferred to the current owner from Madeline M. Journey according to a deed of distribution dated April 18, 2000 and recorded on September 28, 2004 in the Horry County RMC Office. Property 1 has been in continuous ownership for over five years. The oceanfront lots comprise a two and three-story motel containing 62± units, amenities, and parking. This second row lot comprises a paved parking lot containing 22± spaces. No responsibility is assumed or implied as to the legal nature affecting title to this property.

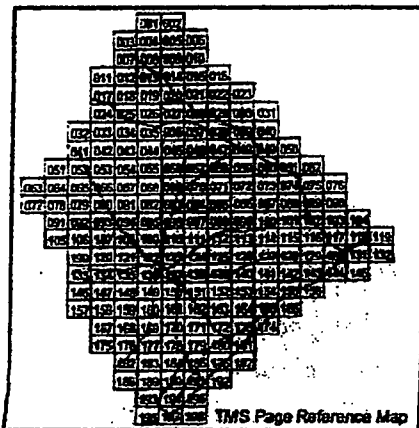
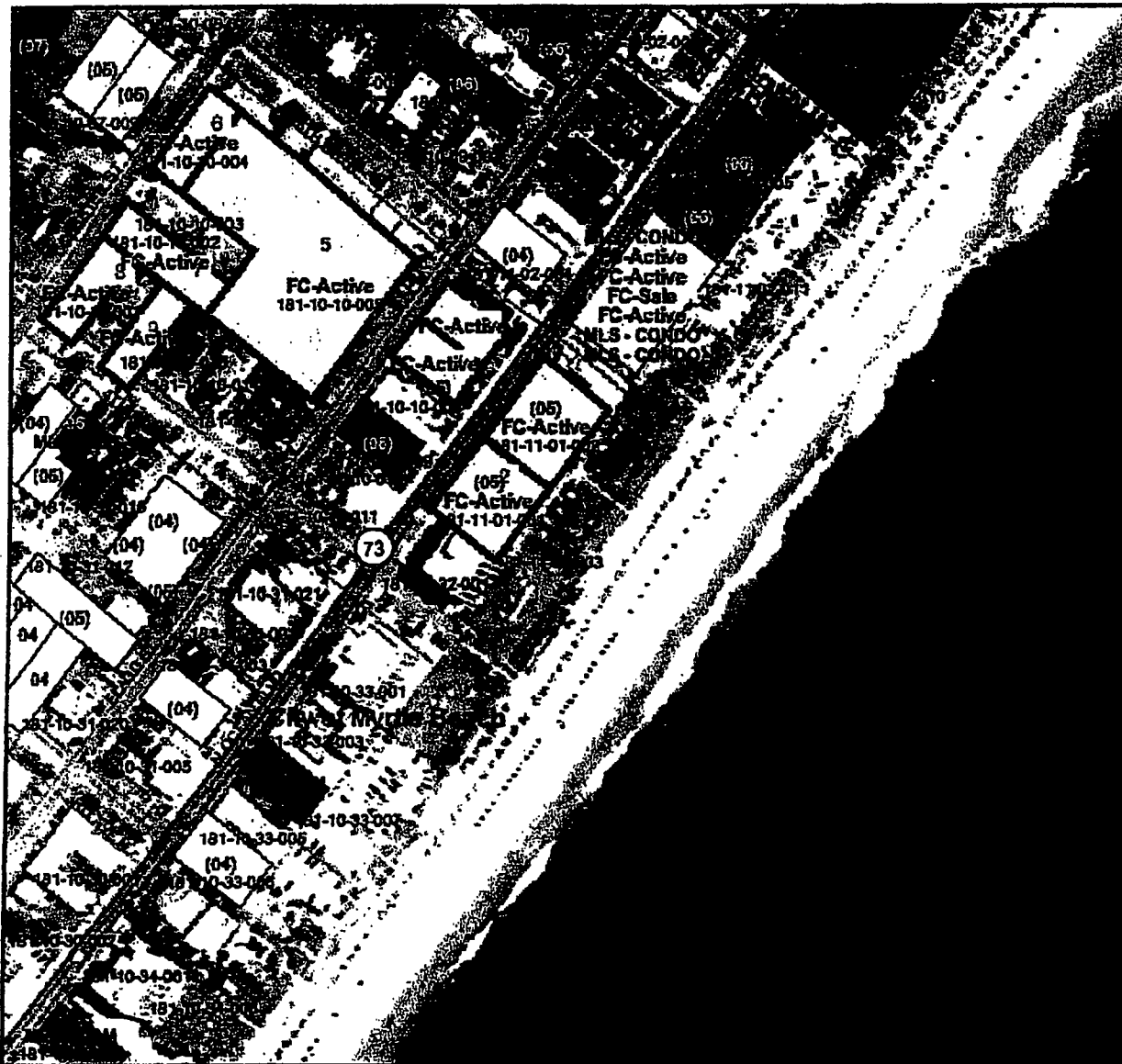
Flood Hazard Statement

The oceanfront portion of Property 1 is located in FEMA identified special flood areas. Shaded Zone X and Zone AE (elevation of 16 and 17 feet) according to Community Map Number 45051C0684 H and Community Map Number 45051C0697 H, as prepared by the Federal Emergency Management Agency, and last revised on August 23, 1999. Shaded Flood Zone X is an area identified as being in the 500-year flood zone; areas of 100-year flood with average depths of less than 1 foot or with drainage areas less than 1 square mile; and areas protected by levees from 100-year flood. Zone AE is an area identified as being in the flood plain with a base flood elevation determined (16 and 17 feet). The second row portion of Property 1 is located in Zone X, which is outside the 500-yr flood. Please refer to the survey of the oceanfront lots located on page 34 of this report for precise location of the subject site in regard to flood zones. To determine if flood insurance is available please contact the county FEMA officer. Please refer to the flood maps on page 8 and 9 of this report.

Zoning and Restrictions

According to the City of Myrtle Beach Planning and Zoning Department, the subject is zoned TA-80, Transient Accommodations District, by the City of Myrtle Beach. This district is "to provide for areas in which the development of transient-type facilities are most appropriate." Please refer to the Myrtle Beach zoning ordinance for more detail. This zoning district is primarily intended for tourist accommodation uses such as motels and multi-family developments. The subject is a legal, nonconforming use based on the subject not containing enough parking. Please see the discussion to follow in the highest and best use section of this report. Other major provisions of this ordinance are given in the addenda of this report.

The maximum building height is 80 feet, however the height may be extended to 120 feet provided that outdoor recreational space and landscaping utilize at least 25% of the total lot upon which the structure is situated. Setback requirements for this zoning ordinance require a minimum front or side street building line of 20 feet from the front street property line and ten feet from the side street property line. The minimum oceanfront property line building line is 20



- US Highways
- State Highways
- County Roads
- On Market (Existing)
- On Market (New)
- On Market (Changed)
- Comps (2008)
- Comps (2007)
- Comps (2006)
- Comps (2005)
- Comps (2004)
- Comps (2003)

SiteTech Systems

The data herein is believed to be accurate, but we offer no guarantee, express or implied, made as to its accuracy. Please refer to our data source information and disclaimers at <http://www.sitetechnologies.com>

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PLEASE SEE ATTACHED DATA SHEET

1	
Foreclosure Details	
TMS	181-11-01-002
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$1,289,130.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70

2	
Foreclosure Details	
TMS	181-11-01-001
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$1,246,210.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70

3	
Foreclosure Details	
TMS	181-10-10-006
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$614,980.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70

4	
Foreclosure Details	
TMS	181-10-10-007
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$254,680.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70

5	
Foreclosure Details	
TMS	181-10-10-005
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$1,378,880.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70

6	
Foreclosure Details	
TMS	181-10-10-004
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$67,700.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70

7	
Foreclosure Details	
TMS	181-10-10-002
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$149,830.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70

8	
Foreclosure Details	
TMS	181-10-10-001
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$140,160.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70

9	
Foreclosure Details	
TMS	181-10-10-016
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$108,860.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70



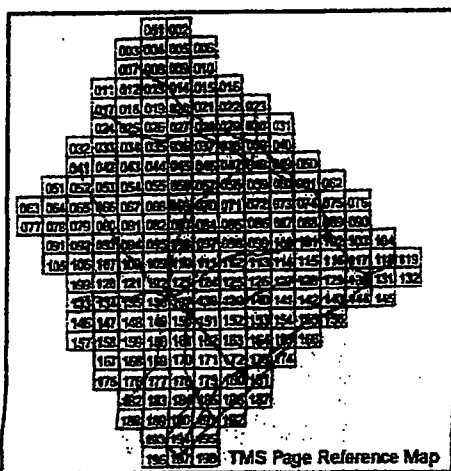
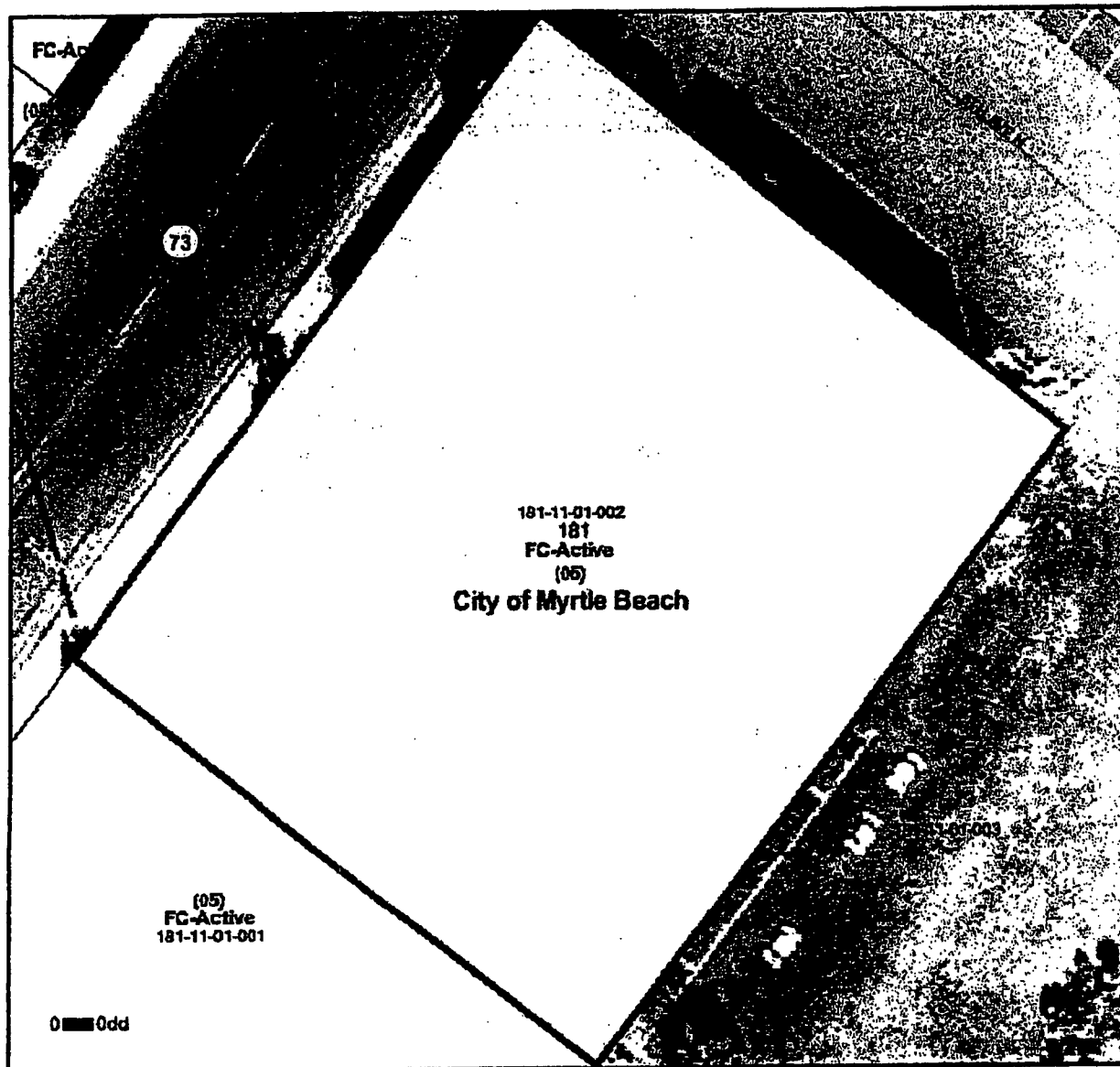
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- Comps (2003)

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Foreclosure Details	
TMS	181-11-01-002
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Moxingo & Wallace Architects L.
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	B/C Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$1,289,130.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70

Systems

Foreclosure Details**General Information**

Status: Filed	Deed Book/Page: 2849/0171	Tax Mailing Address: 4205 N Ocean Blvd
Date Filed: 3/27/2009	Mortgage Book/Page:	Tax Mailing City: Myrtle Beach
TMS: 181-11-01-002	Plat Book/Page:	Tax Mailing State: SC
TMS2:		Tax Mailing Zip: 29577
TMS3:		
TMS4:		

Property Information

Property Address:	Study Area: Myrtle Beach	Zoning: TA-80
Property City:	Subdivision:	Flood Zone: X50
Property State: SC	Tax Assessment: \$1,289,130.00	Land Use Code: 315
Property Zip:		
Property Description: Lots 1 & 2, Block r, Hotel Section of Myrtle Beach		

Legal Information

Case Number: 2009-3186	Defendant: BJC Enterprises, etal	Defendant's Address:
Type of Foreclosure: Mechanic Lien	Plaintiff: Mozingo & Wallace Architects LLC	Defendant's City:
Original Mortgage: \$0.00	Plaintiff's Attorney: Scott B Umstead	Defendant's State:
Amount Due: \$612,612.70	Attorney's Phone: (843) 913-4610	Defendant's Zip:
Deficiency: Demanded	Attorney's Address: 4226 Mayfair Street, Suite 100 Myrtle Beach, SC 29577	

Sale Information

Sale Date:	Sold Date - Upset Bid:	Final Date Sold:
	Purchaser:	Final Purchaser:
	Amount Paid: \$0.00	Final Amount: \$0.00



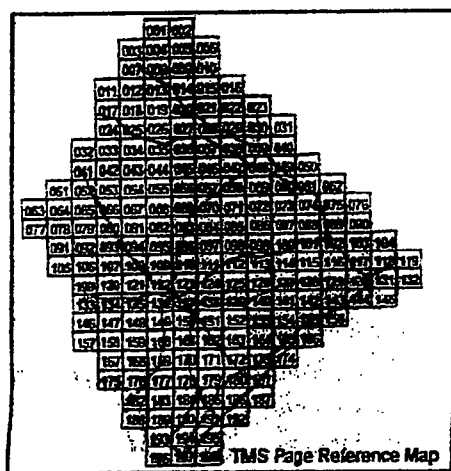
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 Comps (2005)
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Foreclosure Details	
TMS	181-11-01-001
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scot B Umstead
Attorney's Phone	(843) 913-4610
Defendant	B/C Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$1,245,210.00
Original Mortgage	\$0.00
Amount Due	\$612,612.70



Foreclosure Details

General Information

Status: Filed	Deed Book/Page: 2849/0171	Tax Mailing Address: 4205 N Ocean Blvd
Date Filed: 3/27/2009	Mortgage Book/Page:	Tax Mailing City: Myrtle Beach
TMS: 181-11-01-001	Plat Book/Page:	Tax Mailing State: SC
TMS2:		Tax Mailing Zip: 29577
TMS3:		
TMS4:		

Property Information

Property Address:	Study Area: Myrtle Beach	Zoning: TA-80
Property City:	Subdivision:	Flood Zone: X30
Property State: SC	Tax Assessment: \$1,246,210.00	Land Use Code: 315
Property Zip:		
Property Description: Lot 3 & 4, Block 4, Hotel Section of Myrtle Beach		

Legal Information

Case Number: 2009-3186	Defendant: BIC Enterprises, etal	Defendant's Address:
Type of Foreclosure: Mechanic Lien	Plaintiff: Mozingo & Wallace Architects LLC	Defendant's City:
Original Mortgage: \$0.00	Plaintiff's Attorney: Scott B Umstead	Defendant's State:
Amount Due: \$612,612.70	Attorney's Phone: (843) 913-4610	Defendant's Zip:
Deficiency: Demanded	Attorney's Address: 4226 Mayfair Street, Suite 100 Myrtle Beach, SC 29577	

Sale Information

Sale Date:	Sold Date - Upset Bid:	Final Date Sold:
	Purchaser:	Final Purchaser:
	Amount Paid: \$0.00	Final Amount: \$0.00



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Ownership & Location Information:

Parcel #: 1811101001
 Tax Bill Mailing Address: 405 FLAGG STREET
 MYRTLE BEACH SC 29577-0000
 Legal Description: LTS 3-4 BL 4
 Current Owner: BJC ENTERPRISES LLC
 Deed Book/Page: 2849/171
 Lender Identification: 0
 District: 880 / CITY OF MYRTLE BEACH
 # Of Lots: 2
 # Of Buildings: 1

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Tax Information:

Current Fair Market Value: 1,166,000.00
 Residential Value: 0.00
 Farm Use Value: 0.00
 Other Value: 1,166,000.00
 Farm Market Value: 0.00
 Last Appraisal Date: 01/12/2005

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	18572	69960	17,839.80	19,623.78	10/01/2008	NONE	FULL
2007	18164	69960	17,629.92	17,629.92	10/01/2007	NONE	FULL
2006	16702	69960	17,000.28	17,000.28	10/02/2006	NONE	FULL
2005	90812	69960	16,608.50	16,608.50	10/01/2005	NONE	FULL

<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcIsrcH.do?prclno=1811101001&mapdetail...> 06/09/2009

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2004	91937A	74748	18,275.88	18,275.88	10/26/2004	NONE	FULL
2003	89537	74748	18,275.88	18,275.88	10/01/2003	NONE	FULL
2002	87340	74748	17,864.77	20,669.49	10/01/2002	NONE	FULL
2001	83999	74748	17,864.77	17,864.77	10/01/2001	NONE	FULL
2000	80740	74748	16,579.10	16,579.10	10/01/2000	NONE	FULL
1999	73324	74748	16,063.35	16,063.35	10/01/1999	NONE	FULL

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<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcIsrcH.do?prcIsrcH=1811101001&mapdetail...> 06/09/2009[http://www.horrycounty.org:8080/EGSV2Horry/RPPrcIsrcH.do?prcIsrcH=1811101001&mapdetail...](#) 06/09/2009

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[GO!](#) Tax Information

[Map/Assess Info](#)

Ownership & Location Information:

Parcel #: 1811101002
Tax Bill Mailing Address: 405 FLAGG STREET
 MYRTLE BEACH SC 29577-0000
Legal Description: LTS 1-2 BL 4
Current Owner: BJC ENTERPRISES LLC
Deed Book/Page: 2849/171
Lender Identification: 0
District: 880 / CITY OF MYRTLE BEACH
Of Lots: 2
Of Buildings: 2

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Tax Information:

Current Fair Market Value: 1,243,800.00
Residential Value: 0.00
Farm Use Value: 0.00
Other Value: 1,243,800.00
Farm Market Value: 0.00
Last Appraisal Date: 01/12/2005

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	18573	74628	19,030.14	20,933.15	10/01/2008	NONE	FULL
2007	18165	74628	18,806.26	18,806.26	10/01/2007	NONE	FULL
2006	16703	74628	18,134.60	18,134.60	10/02/2006	NONE	FULL
2005	90811	74628	17,716.69	17,716.69	10/01/2005	NONE	FULL

http://www.horrycounty.org:8080/EGSV2Horry/RPPrcI_Srch.do?prclno=1811101002&mapdetail... 06/09/2009

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2004	91933A	79746	19,497.90	19,497.90	10/26/2004	NONE	FULL
2003	89533	79746	19,497.90	19,497.90	10/01/2003	NONE	FULL
2002	87336	79746	19,059.30	22,043.20	10/01/2002	NONE	FULL
2001	83995	79746	19,059.30	19,059.30	10/01/2001	NONE	FULL
2000	80735	79746	17,687.66	17,687.66	10/01/2000	NONE	FULL
1999	73319	79746	17,137.42	17,137.42	10/01/1999	NONE	FULL

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Ownership & Location Information:

Parcel #: 1811010007
 Tax Bill Mailing Address: 405 FLAGG STREET
 MYRTLE BEACH SC 29577-0000
 Legal Description: LT 2 BL 13
 Current Owner: BJC ENTERPRISES LLC
 Deed Book/Page: /
 Lender Identification: 0
 District: 880
 # Of Lots: 1
 # Of Buildings: 1

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Tax Information:

Current Fair Market Value: 194,200.00
 Residential Value: 0.00
 Farm Use Value: 0.00
 Other Value: 194,200.00
 Farm Market Value: 0.00
 Last Appraisal Date: 04/28/2009

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	18571	11652	2,971.26	3,268.39	10/01/2008	NONE	FULL
2007	18163	11652	2,936.30	2,936.30	10/01/2007	NONE	FULL
2006	16701	11652	2,831.43	2,831.43	10/02/2006	NONE	FULL
2005	90810	11652	2,766.18	2,766.18	10/01/2005	NONE	FULL

<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcI Srch.do?prelno=1811010007&mapdetail...> 06/09/2009

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2004	91932	8412	2,056.74	2,056.74	10/01/2004	NONE	FULL
2003	89532	8412	2,056.74	2,056.74	10/01/2003	NONE	FULL
2002	87335	8412	2,010.47	2,437.04	10/01/2002	NONE	FULL
2001	83994	8412	2,010.47	2,010.47	10/01/2001	NONE	FULL
2000	80736	8412	1,865.78	1,865.78	10/01/2000	NONE	FULL
1999	73320	8412	1,807.74	1,807.74	10/01/1999	NONE	FULL

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Ownership & Location Information:

Parcel #: 1811010007
Tax Bill Mailing Address: 405 FLAGG STREET
Legal Description: LT 2 BL 13
Current Owner: BJC ENTERPRISES LLC
Deed Book/Page: /
Lender Identification: 0
District: 880
Of Lots: 1
Of Buildings: 1

[back to top](#)

Tax Information:

Current Fair Market Value: 194,200.00
Residential Value: 0.00
Farm Use Value: 0.00
Other Value: 194,200.00
Farm Market Value: 0.00
Last Appraisal Date: 04/28/2009

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	18571	11652	2,971.26	3,268.39	10/01/2008	NONE	FULL
2007	18163	11652	2,936.30	2,936.30	10/01/2007	NONE	FULL
2006	16701	11652	2,831.43	2,831.43	10/02/2006	NONE	FULL
2005	90810	11652	2,766.18	2,766.18	10/01/2005	NONE	FULL
2004	91932	8412	2,056.74	2,056.74	10/01/2004	NONE	FULL
2003	89532	8412	2,056.74	2,056.74	10/01/2003	NONE	FULL
2002	87335	8412	2,010.47	2,437.04	10/01/2002	NONE	FULL
2001	83994	8412	2,010.47	2,010.47	10/01/2001	NONE	FULL
2000	80736	8412	1,865.78	1,865.78	10/01/2000	NONE	FULL
1999	73320	8412	1,807.74	1,807.74	10/01/1999	NONE	FULL

Ownership & Location Information:

Parcel #: 1811010007
Tax Bill Mailing Address: 405 FLAGG STREET
Legal Description: LT 2 BL 13
Current Owner: BJC ENTERPRISES LLC
Deed Book/Page: /
Lender Identification: 0
District: 880
Of Lots: 1
Of Buildings: 1

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Tax Information:

Current Fair Market Value: 194,200.00
Residential Value: 0.00
Farm Use Value: 0.00
Other Value: 194,200.00
Farm Market Value: 0.00
Last Appraisal Date: 04/28/2009

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	18571	11652	2,971.26	3,268.39	10/01/2008	NONE	FULL
2007	18163	11652	2,936.30	2,936.30	10/01/2007	NONE	FULL
2006	16701	11652	2,831.43	2,831.43	10/02/2006	NONE	FULL
2005	90810	11652	2,766.18	2,766.18	10/01/2005	NONE	FULL
2004	91932	8412	2,056.74	2,056.74	10/01/2004	NONE	FULL
2003	89532	8412	2,056.74	2,056.74	10/01/2003	NONE	FULL
2002	87335	8412	2,010.47	2,437.04	10/01/2002	NONE	FULL
2001	83994	8412	2,010.47	2,010.47	10/01/2001	NONE	FULL
2000	80736	8412	1,865.78	1,865.78	10/01/2000	NONE	FULL
1999	73320	8412	1,807.74	1,807.74	10/01/1999	NONE	FULL


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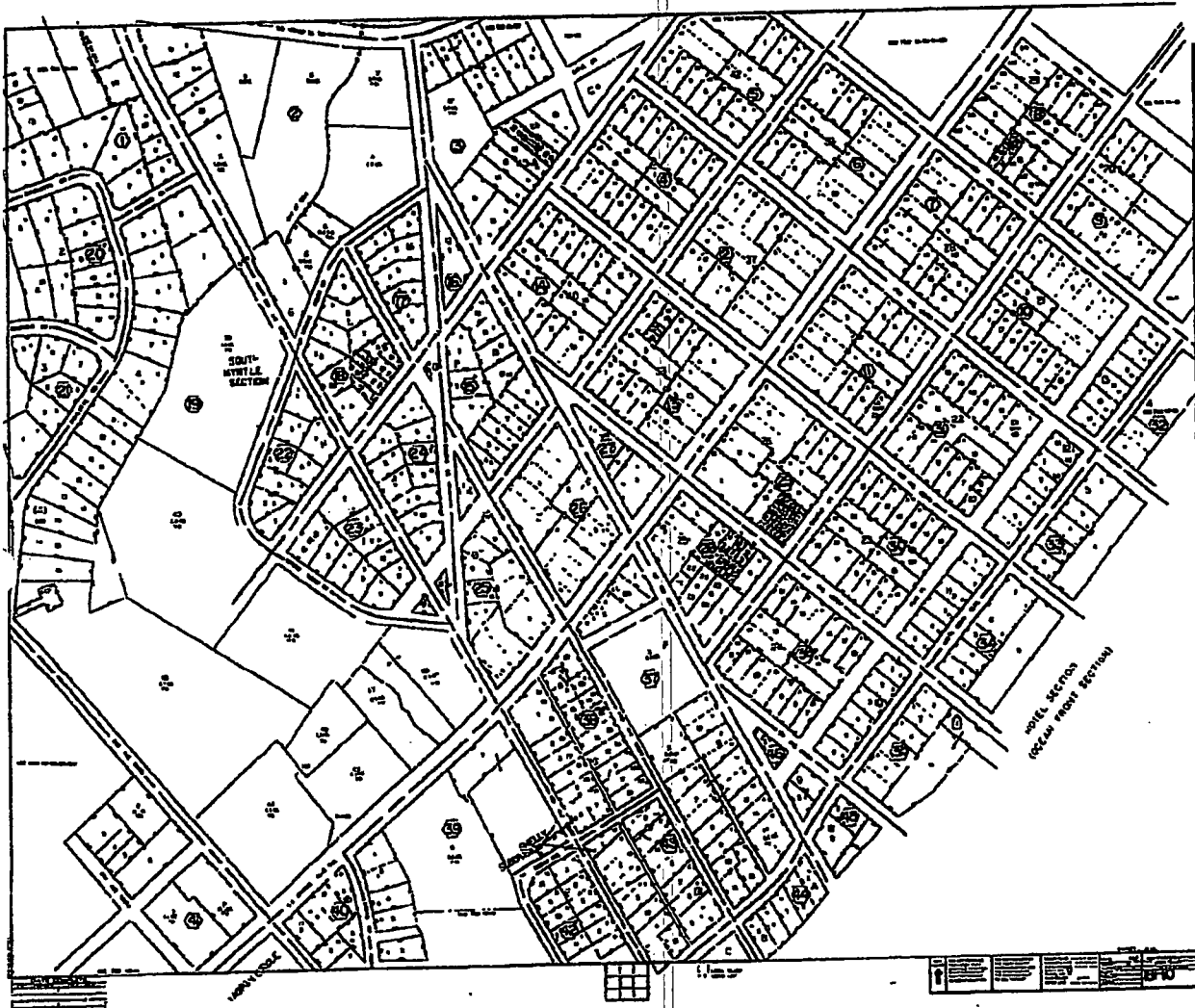
Your search resulted in 3 matches

Show Map	Parcel Number	Owner Name	Location of the Property	Legal Description	Fair Market Value
Show Map	1811010007	BJC ENTERPRISES LLC	LT 2 BL 13 HOTEL SEC	LT 2 BL 13	194,200.00
Show Map	1811010001	BJC ENTERPRISES LLC	LTS 3-4 BL 4 HOTEL SEC	LTS 3-4 BL 4	1,166,000.00
Show Map	1811010002	BJC ENTERPRISES LLC	LTS 1-2 BL 4 HOTEL SEC	LTS 1-2 BL 4	1,243,800.00

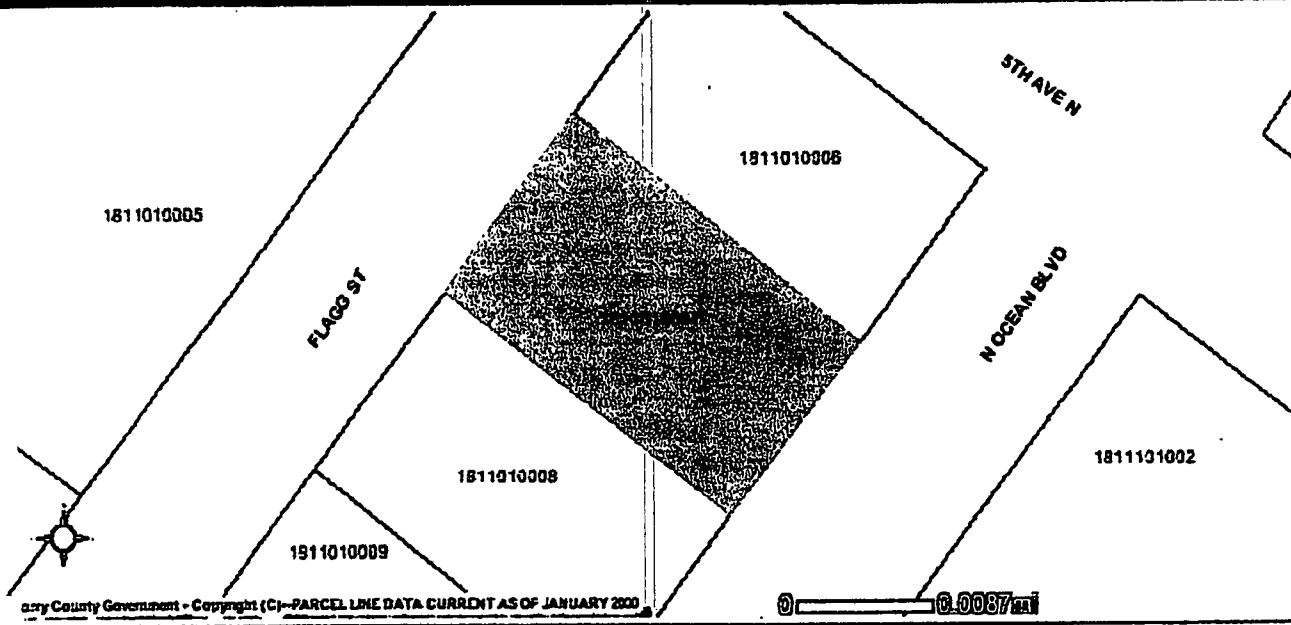
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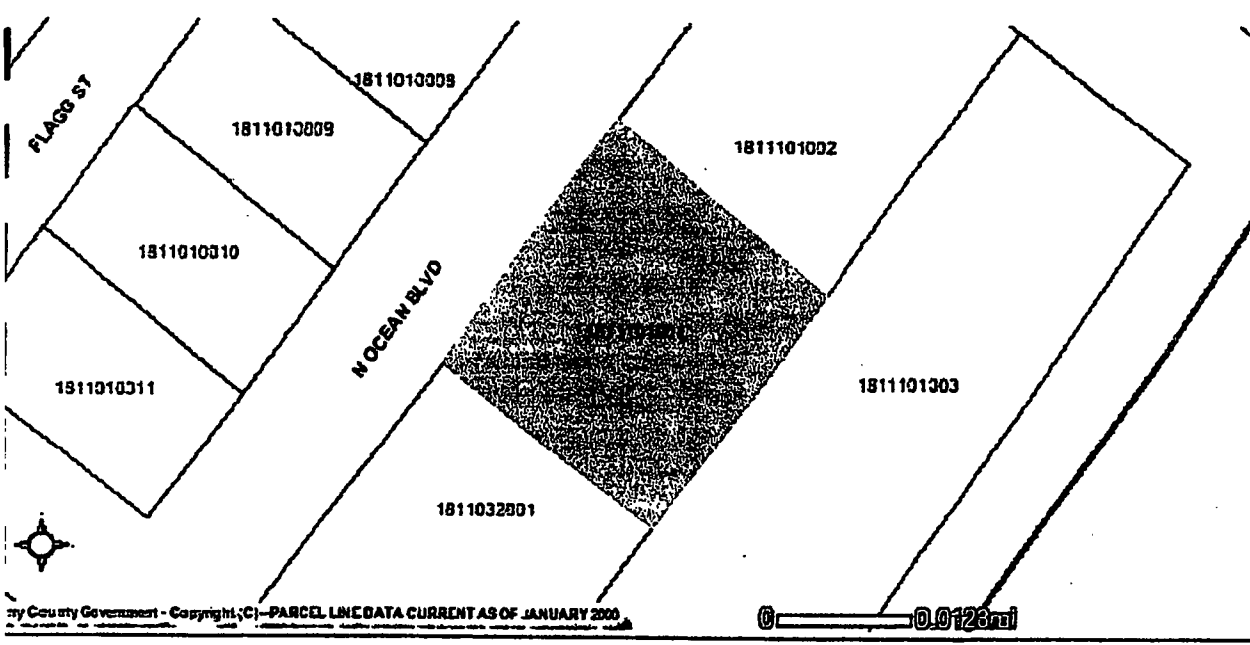
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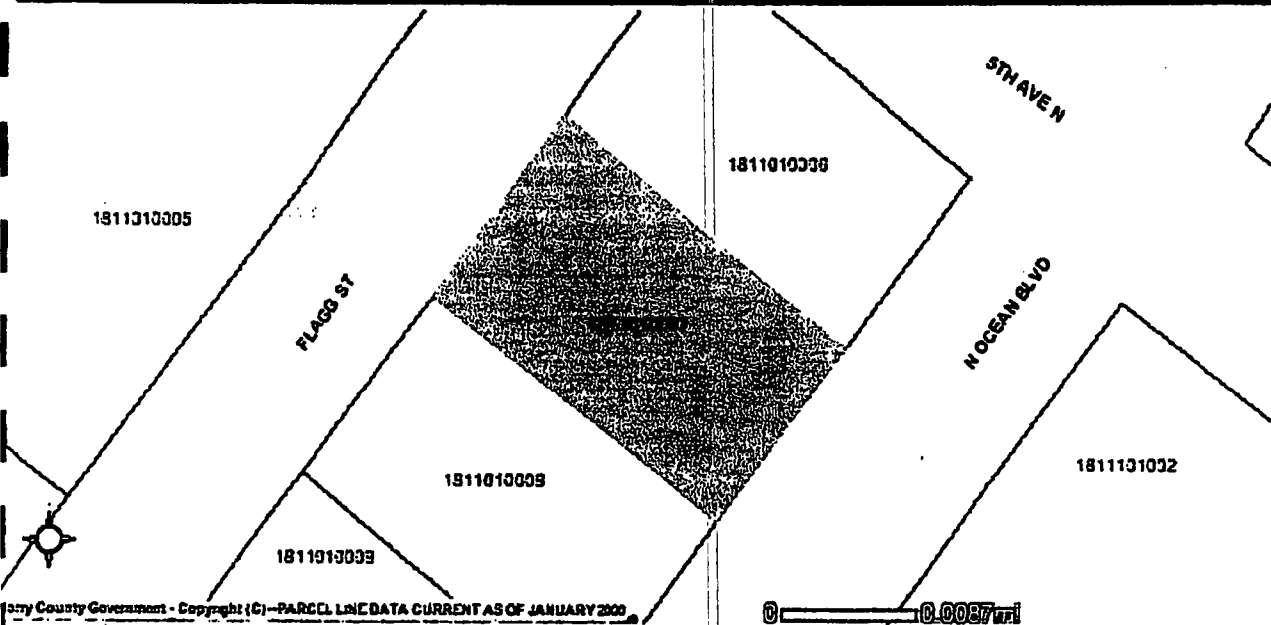
FPSB_001696



Ownership & Location Information:

Parcel #:	181101001
Tax Bill Mailing Address:	405 FLAGG STREET
Legal Description:	LTS 3-4 BL 4
Current Owner:	BJC ENTERPRISES LLC
Deed Book Page:	2849:171
Lender Identification:	0

FPSB_001697



Ownership & Location Information:

Parcel #:	1811010007
Tax Bill Mailing Address:	405 FLAGG STREET
Legal Description:	LT 2 BL 13
Current Owner:	BJC ENTERPRISES LLC
Deed Book/Page:	/
Lender Identification:	0

* Subject improvements appear to be nearing the end of their economic life + redevelopment of the property will be necessary in the next few years. 18

Considerations

72 room motel

4/ 2 + 3 story exterior access

Appraisal Review

- In a very des. mkt location

1) Appraiser Credentials

C. Vernon Hammond

a) Properly Licensed (Competency?) CG# 5782

~~b) Letter of Engagement (By whom, when?) NONE~~

~~c) FPSB Approved List~~

d) Type of report (Complete, Summary, or Restricted Use)

~~e) Scope of Work~~ visit to property, consideration of H&B use, collection of part.

Americana Motel of Myrtle Beach, Inc. 5+ years info.

2) Ownership of Subject Property (Who, How long, & How much \$\$)

Interest - US Hwy 17 & 17 Bypass

3) Site Description (Access, Zoning compatible, Flood Zone,

Size/Use 1.36 acres

TA 80 -

Transient Accommodations District

Portions appear to be in

Flood Zone,

pull flood

cert + not

likely will

require flood

ins.

4) Hypothetical Conditions of the report (effect on value)

a) Subject to completion or 'As Is'?

b) Rezoning

c) Necessary demolition and/or removal

5) Highest & Best Use (Consistent with use / proposed use?)

Budget Limited

Service Motel

(Tourist Accommodations)

6) Approaches to Value

a) Approaches, utilized (why or why not?) Sales, Income, Market vs. GIM

~~b) Cap Rates, Discounts for lease up period, rental rates~~

~~c) Comps (Proximity to subject, dated/current adjustments)~~

~~d) Absorption Rates reasonable for market~~

12-24 months

market condition, condition of subject property, size

7) Final Reconciliation of Value

a) Equal consideration between approaches

X
(lost approach will be unreliable due to the age + condition of

b) If not, which one & why?

c) overall reasonableness

the subject property. Accrued depreciation + functional obsolescence would be difficult to determine.

When the economy turns, the B use will be demolition - which would make room for possibly a high-rise structure.

95
8-25-10 JLM

Restricted Use Appraisal Report of

**Various Rental Properties
BJC Enterprises, LLC**

Myrtle Beach, Horry County, SC

For

Mr. Marvin W. Best

Vice President

Collections Division

First Palmetto Savings Bank, FSB

407 Dekalb Street, Camden, SC 29020

June 17, 2009

By

C. Vernon Hammond

South Carolina Certified General Appraiser # 5782

Palmetto Valuation & Appraisal, LLC

1105 Broad Street, Camden South Carolina 29020

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FPSB_001991



PALMETTO VALUATION & APPRAISAL, LLC

June 17, 2009

Mr. Marvin W. Best
Vice President
First Palmetto Savings Bank, FSB
Collections Division
407 Dekalb Street
Camden, South Carolina 29020

Re: Seven (7) residential rental properties located in
Myrtle Beach, South Carolina
Borrower: BJC Enterprises, LLC
Owner: Americana Motel of Myrtle Beach, Inc. et al
Our File #C09-51

Dear Mr. Best:

We have prepared an appraisal of the above referenced property as of June 16, 2009. The objective of this appraisal is to provide our opinion of the current market value of the fee simple interest. Based on our agreement with the client this appraisal is being reported in a RESTRICTED format.

This RESTRICTED USE appraisal has been prepared in accordance with *USPAP*, and the *Standards of Professional Practice and Code of Ethics* of the Appraisal Institute. As such, it presents statements concerning the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the work file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated herein. The appraisers are not responsible for the unauthorized use of this report.

REAL ESTATE APPRAISED

The subject properties are an assemblage of seven (7) different properties that lie between 4th and 5th Ave North and Chester Street in Myrtle Beach, South Carolina. The properties are older and have some deferred maintenance but are typical of rental units in this immediate area of the Grand Strand. They vary from a single family residence to 2, 3, & 4 multi- family units that are for rent by the week or

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month. A table has been included to give the client a better idea of the array of properties being included in this evaluation report. Each one will be more fully explained in the site description of this report. For appraisal and valuation purposes this is the square footage that will be utilized. The subject properties are within a fairly desirable area that in the past has enjoyed substantial residential and commercial growth. This includes the Old Pavilion area of the Grand Strand which continues to be a draw for tourists seeking a more affordable trip to the beach. The hotels in this area are definitely second tier units that average somewhere between \$38.00 to \$55.00 per night. Though they cannot compete with the newer high rise concrete and steel projects in quality, they retain a good share of business from economically minded tourists. Other areas of Horry County have seen intense growth in both the residential and commercial sectors. It continues to be the major center of growth within Horry County. Both national and local retailers have placed an excellent mix of retail and service oriented businesses to meet the expanding residential growth in the nearby areas. This area has been the hub for much of the growth that Horry County has enjoyed for the past few years and there appears to be adequate vacant land for any future growth needs.

Flood map determination can be found in Flood Map # 45051C0684H, dated 8/23/1999, for Horry County, SC.

VALUE CONCLUSION

All seven subject properties are located in the subject neighborhood. The adjusted values range from \$45.84 to \$121.81 per SF. Equal consideration and reliance has been given to all sales comparables. Due to the various condition & sizes of the subject properties, the appraiser believes a figure on the low end of the range is more appropriate. It is important to note that several of these properties are approaching the end of their economic life. Without rehabilitation and refurbishing, these units will diminish rapidly in value. When this occurs, redevelopment of the sites will probably be warranted. This can be delayed with curing deferred maintenance and functional obsolescence, if possible.

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Based on these sales, the current value is:

One Million Fifteen Thousand Dollars & no/100's

(\$1,015,000.00)

For marketing and negotiating purposes, an asking price above the indicated per SF range of value is suggested.

MARKETING TIME AND EXPOSURE TIME

The marketing and exposure time is estimated to be eighteen to twenty four months.

The reliance of this report is limited to the client; everyone else is considered an unintended user. All information contained within this submitted **RESTRICTED USE** report is strictly for the sole use of the client, and may not be used for any purpose by another party without the written consent of the appraisers.

If we can be of any further assistance, please do not hesitate to contact us.

Respectfully submitted,

C. Vernon Hammond
SC Certified General Appraiser #5782

Sarah J. Hammond
SC Apprentice Appraiser # AA6314

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PALMETTO VALUATION & APPRAISAL, LLC

Mission Statement

Palmetto Valuation & Appraisal, LLC is committed to providing our clients with realistic, reliable residential and commercial appraisal services and development consulting services that will enable our clients to make informed decisions that are vital to their success in the accomplishment of their goals.

We will provide our services to owners, lenders, investors, and developers in a professional manner for fees that are both reasonable and profitable.

PREFACE

An appraisal is a type of research into the law of probabilities with respect to real estate. Through the appraiser's education, training, experience, and integrity, he is able to project sellers' and buyers' past activities into a forecast of real estate value. Because of the individuality and uniqueness of each property, comparisons of like properties often entail adjustments in arriving at a conclusion. Financial consideration for similar properties sometimes reflects sentiment, compassion, bias, politics, specific needs, lack of understanding, and other factors not considered by the impartial appraiser. The appraiser cannot be an advocate; else he belies the reason for his profession.

An appraisal cannot be guaranteed; cannot be proved; however, the opinions of value can be substantiated and justified. The final conclusion is the result of professional analysis of a considerable quantity of physical and economic facts. An appraisal must not be considered absolute, but should be used as a basis for decision making between parties involved in the property, whatever their interests.

With the foregoing in mind, the reader is invited to review the following report, which sets forth the data and reasoning leading to the value estimate of the subject property.

CONFIDENTIALITY OF CLIENT AND PROPERTY INFORMATION

In the early part of the 1980's, the leaders of several professional appraiser organizations saw the need to set forth a common set of professional practice standards. They felt that these standards were necessary to create trust between the general public and the professional appraisers.

The lack of trust was due primarily to the problems which occurred in the 1980's, by what is known as "The Savings & Loan Crisis".

Eight U.S. based professional appraisal organizations plus "The Appraisal Institute of Canada" formed an Ad Hoc Committee which developed the Uniform Standards of Professional Practice (USPAP).

Congress passed Title XI of The Financial Institutions Reform, Recovery and Enforcement Act during 1989. By passing this bill, Congress recognized and authorized USPAP.

The Confidentiality section of the Ethics Provision of USPAP provides the following:

An appraiser must protect the confidential nature of the appraiser-client relationship.

An appraiser must act in good faith with regard to the legitimate interests of the client in the use of confidential information and in the communication of assignment results.

An appraiser must be aware of, and comply with,

**all confidentiality and privacy laws and regulations
applicable in an assignment.**

USPAP allows the appraiser to disclose confidential information to the
following:

- **The client and persons specifically authorized by the client.**
- **State enforcement agencies and such third parties as may be authorized by due process of law.**

and/or

- **Duly authorized professional peer review committee, except when such disclosure to a committee would violate applicable law or regulation.**

(It is unethical for a member of a duly authorized professional peer review committee to disclose confidential information presented to the committee.)

Types of Information

There are two types of categories of information used by an appraiser to develop their Opinion of Value. They are:

- **Public Information**
- **Nonpublic Information**

Public information such as zoning, taxes, flood areas, and sizes of land or building can be obtained within the public domain.

This information can be obtained by the public from the Courthouse, assessor's office or zoning office.

Since this information is a matter of public record, it is not confidential.

Nonpublic information such as current rents, tenant information, sales agreements, future expansion and appraisal results are privileged to the client and intended users of the appraisal report.

Since nonpublic information cannot be obtained within the public domain, it is confidential. This information cannot be divulged to any other than those previously stated in the section.

Palmetto Valuation & Appraisal, LLC pledges to keep all nonpublic information confidential and to recognize it as the property of the client and intended user of this appraisal report.

GLOSSARY

Addenda – Additional section added to the end of the report, containing maps, photos, and other clarification data.

Accrued Depreciation – Loss in value from any and all causes.

Actual Age – The chronological age of an improvement. This is a number.

Capitalization Rate – A rate of return which is used to convert Net Operating Income into an Indication of Value.

Contract Rent – The rent called for in the Rental Contract or Lease.

Debt Cover Ratio – The number of times that the Net Operating Income will make the mortgage payment.

Discount Rate – The rate of return necessary to attract capital. Also, the rate of which pre-tax income is discounted into its present worth.

Economic Life – The condition of a building expressed in a number of years.

Effective Age – The present condition of the improvement stated in a number of years, i.e. a building may be 20 years old but it looks like it is 10 years old.

Equity – The amount of money an investor puts into an investment.

Equity Dividend – The return an investor receives on his equity (also known as cash on cash).

Expenses – These are the expenses which are charged against real estate.

These expenses can either be fixed, such as taxes and insurance, or operating, such as repairs, utilities, and janitorial.

Going-In Capitalization Rate – The Capitalization Rate used to capitalize the first year's Net Operating Income into an Estimate of Value. This rate is used in the Straight Line Capitalization technique.

Gross Potential Income – The Gross Income that a property is capable of producing if it were 100% rented.

Internal Rate of Return – The rate of interest that discounts the pre-income tax cash flow received by the equity invested back into its present worth.

This is also known as the Discount Rate.

Leased Fee Estate – The interest or estate an owner has in this property as a result of the existing lease.

Leasehold Estate – The interest a tenant has in a leased property as a result of the existing lease.

Market Rent – The amount of rent that a property would produce if exposed to the market.

Net Operating Income – Gross Potential Income less Vacancy and Credit Loss and Fixed and Operating Expenses.

Terminal Capitalization Rate – The Capitalization Rate used to estimate the Resale or Reversion Value of the property at the end of the Holding Period. This rate is generally higher than the Going-In Capitalization Rate.

Unencumbered Fee Simple Ownership – The highest form of ownership. An ownership that is not encumbered by any liens and/or leases.

APPRAISAL DEVELOPMENT AND REPORTING OPTION

There are two levels of appraisal development; the Complete Appraisal and the Restricted Appraisal. There are three reporting options; Self Contained Report, Summary Report, and Restricted Report. These are defined below.

A Complete Appraisal is the act or process of estimating value or an estimate of value without invoking the Departure Provision.

Self-Contained Appraisal Report: This is the most detailed and complete reporting option. The length and descriptive detail in such a report should fully support the reasoning and conclusions of the appraiser. This is commonly referred to as a "Full Narrative Report".

Summary Report: Should contain a summary of all information significant to the conclusion of the appraisal report. It is less detailed than a Self-Contained Report.

Restricted Appraisal Report: Should contain a brief statement of information significant to the solution of the appraisal problem. It is intended for use only by the client: everyone else is considered an unintended user.

Development Level and Reporting Option Used

This report is intended to be a Complete Appraisal - Summary Report.

Appraisal Development	Appraisal Reporting
Complete Appraisal	Self-Contained Appraisal
Complete Appraisal	Summary Appraisal
Complete Appraisal	Restricted Appraisal

EXECUTIVE SUMMARY

Name: Triplex Multi Family Unit

Property Location: 406 Chester Street
Myrtle Beach, South Carolina 29577

Tax Map No.: TMS#181-10-10-003

Ownership: Americana Motel of Myrtle Beach
405 Flagg Street
Myrtle Beach, South Carolina 29577

Type Property: Multi Family Unit

Type Appraisal: Restricted Use

Utilities: All Public

City Limits: City of Myrtle Beach
Horry County, SC

Date of Appraisal: June 16, 2009

Date of Inspection: June 5, 2009

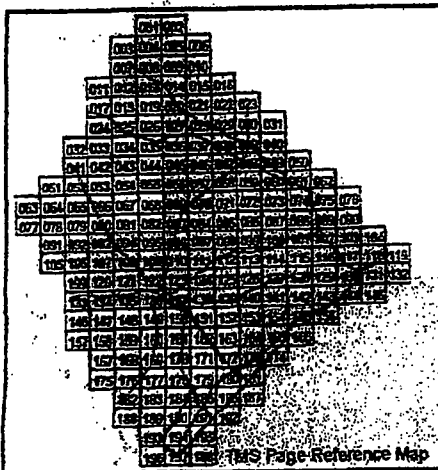
Interest Appraised: Fee Simple

Highest and Best Use:
As Vacant: Tourist Accommodations
As Improved: Current Use

Land Size: 0.262 acres or 11,413 square feet

Building Size: 1,890 square feet

Zoning: TA-80/ OZ conforming



- US Highways
- State Highways
- County Roads
- On Market (Existing)
- On Market (New)
- On Market (Changed)
- Comps (2008)
- Comps (2007)
- Comps (2006)
- Comps (2005)
- Comps (2004)
- Comps (2003)

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STS Property Information	
TMS	181-10-10-003
Zoning	TA-80
Owner	Americana Motel Americana Motel
Street Address	405 Flagg St
City	Myrtle Beach
State	SC
Zip Code	29577
Total Rooms	-
Bedrooms	-
Full Baths	-
Half Baths	-
GIS Acres	0.262
Co Land Value	\$93,400.00
Co Impr Value	\$33,100.00
Co Total Value	\$126,500.00
Last Date Sold	-
Sold Acres	-
Sold Price	-

Systems

Property Information

General Information

TMS: 181-10-10-003
 Owner: Americana Motel Americana Motel Of Mb Inc
 Owner Addr.: 405 Flagg St
 City: Myrtle Beach
 State: SC
 Zip: 29577
 Zoning: TA-80
 LUC: 301

Study Area: Myrtle Beach
 Subdivision:
 Cnty Land Value: \$93,400
 Cnty Impr. Value: \$33,100
 Cnty Other Value:
 Cnty Total Value: \$126,500
 Last Date Sold:
 Sold Price:
 Seller:

Property Details

Year Built: 1960
 Cnty Bldg. Use: Apartment
 Legal Desc. Lt 18 Bl 21
 Deed Book:
 Deed Page:
 Lot:
 Block:
 Section:
 Tax Assess.:

Cnty Impr. SqFt:
 Land Area SqFt:
 Land Area Acres:
 Bldg. Area SqFt:
 Grd. Floor SqFt:
 Rec. Room SqFt:
 Street Number:
 Street Name: Chester
 Road Type: St

Bldg. Style:
 Bldg. Condition:
 Stories:
 Total Rooms:
 Family Rooms:
 Bedrooms:
 Full Baths:
 Half Baths:
 Fireplace:
 Attic:
 Heat System:

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Assessor Ownership, Location, and Tax Information

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 [Ownership & Location Information](#)

 [Tax Information](#)

[Map/Assess.Info](#)

Ownership & Location Information:

Parcel #:	1811010003
Tax Bill Mailing Address:	405 FLAGG ST MYRTLE BEACH SC 29577-4025
Legal Description:	LT 18 BL 21
Current Owner:	AMERICANA MOTEL
Deed Book/Page:	/
Lender Identification:	0
District:	880 / CITY OF MYRTLE BEACH
# Of Lots:	1
# Of Buildings:	1

[back to top](#)

Tax Information:

Current Fair Market Value:	126,500.00
Residential Value:	0.00
Farm Use Value:	0.00
Other Value:	126,500.00
Farm Market Value:	0.00
Last Appraisal Date:	01/12/2005

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	3579	7590	1,935.45	2,129.00	10/01/2008	NONE	FULL
2007	3549	7590	1,912.68	1,912.68	10/01/2007	NONE	FULL
2006	3545	7590	1,844.37	1,844.37	10/02/2006	NONE	FULL
2005	2984	7590	1,801.87	1,801.87	10/01/2005	NONE	FULL

<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcI Srch.do?prclno=1811010003&mapdetail...> 06/18/2009

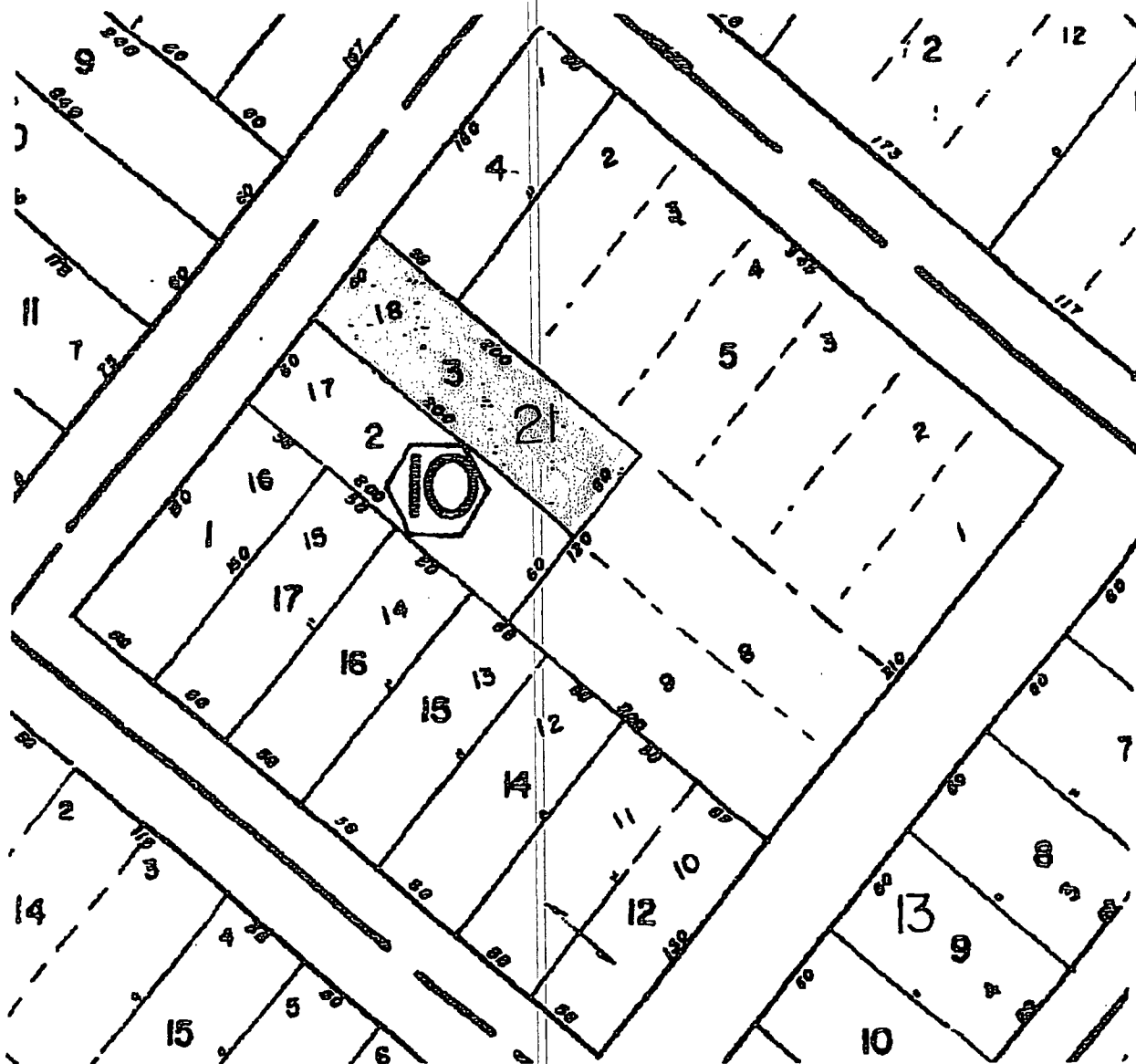
2004	3015	5964	1,458.19	1,458.19	10/01/2004	NONE	FULL
2003	2969	5964	1,458.19	1,458.19	10/01/2003	NONE	FULL
2002	2769	5964	1,425.39	1,468.15	10/01/2002	NONE	FULL
2001	2556	5964	1,425.39	1,714.20	10/01/2001	NONE	FULL
2000	2466	5964	1,322.82	1,322.82	10/01/2000	NONE	FULL
1999	2156	5964	1,281.66	1,281.66	10/01/1999	NONE	FULL

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TAX MAP
(PROPERTY 3)



The shaded area is the subject.

EXECUTIVE SUMMARY

Name: Quadplex Multi Family Unit

Property Location: 404 Chester Street
Myrtle Beach, South Carolina 29577

Tax Map No.: TMS#181-10-10-002

Ownership: Americana Motel of Myrtle Beach
405 Flagg Street
Myrtle Beach, South Carolina 29577

Type Property: Multi Family Unit

Type Appraisal: Restricted Use

Utilities: All Public

City Limits: City of Myrtle Beach
Horry County, SC

Date of Appraisal: June 16, 2009

Date of Inspection: June 5, 2009

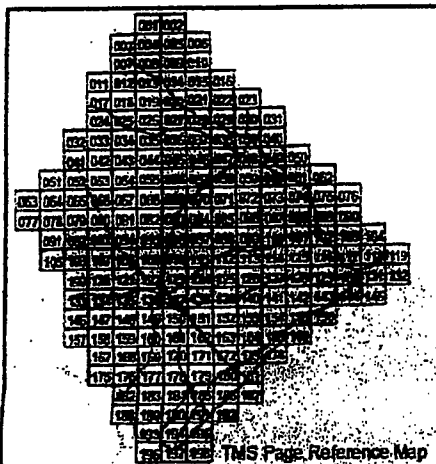
Interest Appraised: Fee Simple

Highest and Best Use:
As Vacant: Tourist Accommodations
As Improved: Current Use

Land Size: 0.28 acres or 12,000 square feet

Building Size: 3,599 square feet

Zoning: TA-80/ OZ conforming



- US Highways
- State Highways
- County Roads
- On Market (Existing)
- On Market (New)
- On Market (Changed)
- Comps (2008)
- Comps (2007)
- Comps (2006)
- Comps (2005)
- Comps (2004)
- Comps (2003)

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1	
STS Property Information	
TMS	181-10-10-002
Zoning	TA-80
Owner	Americans Motel Of Myrtle Beach
Street Address	405 Flag St
City	Myrtle Beach
State	SC
Zip Code	29577
Total Rooms	-
Bedrooms	-
Full Baths	-
Half Baths	-
GIS Acres	0.27
Co Land Value	\$93,400.00
Co Impr Value	\$54,700.00
Co Total Value	\$149,830.00
Last Date Sold	2/22/1993
Sold Acres	-
Sold Price	\$85,000



Systems

Property Information

General Information

TMS: 181-10-10-002
Owner: Americana Motel Of Myrtle Beach Inc
Owner Addr.: 405 Flagg St
City: Myrtle Beach
State: SC
Zip: 29577
Zoning: TA-80
LUC: 301

Study Area: Myrtle Beach
Subdivision:
Cnty Land Value: \$93,400
Cnty Impr. Value: \$54,700
Cnty Other Value: \$1,730
Cnty Total Value: \$149,830
Last Date Sold: 2/22/1993
Sold Price: \$85,000.00
Seller: Fanshaw Charles A

Property Details

Year Built: 1953
Cnty Bldg. Use: Apartment
Legal Desc. Lt 17 Bl 21
Deed Book: 1615
Deed Page: 0718
Lot:
Block:
Section:
Tax Assess.:

Cnty Impr. SqFt:
Land Area SqFt:
Land Area Acres:
Bldg. Area SqFt:
Grd. Floor SqFt:
Rec. Room SqFt:
Street Number:
Street Name: Chester
Road Type: St

Bldg. Style:
Bldg. Condition:
Stories:
Total Rooms:
Family Rooms:
Bedrooms:
Full Baths:
Half Baths:
Fireplace:
Attic:
Heat System:

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Assessor Ownership, Location, and Tax Information

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 [Ownership & Location Information](#)

 [Tax Information](#)

[Map/Assess.Info](#)

Ownership & Location Information:

Parcel #: 1811010002
Tax Bill Mailing Address: 405 FLAGG ST
 MYRTLE BEACH SC 29577-4025
Legal Description: LT 17 BL 21
Current Owner: AMERICANA MOTEL OF
 MYRTLE BEACH INC
Deed Book/Page: 1615/718
Lender Identification: 0
District: 880 / CITY OF MYRTLE
 BEACH
Of Lots: 1
Of Buildings: 1

[back to top](#)

Tax Information:

Current Fair Market Value: 148,100.00
Residential Value: 0.00
Farm Use Value: 0.00
Other Value: 148,100.00
Farm Market Value: 0.00
Last Appraisal Date: 01/12/2005

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	3584	8886	2,265.93	2,492.52	10/01/2008	NONE	FULL
2007	3554	8886	2,239.27	2,239.27	10/01/2007	NONE	FULL
2006	3550	8886	2,159.30	2,159.30	10/02/2006	NONE	FULL

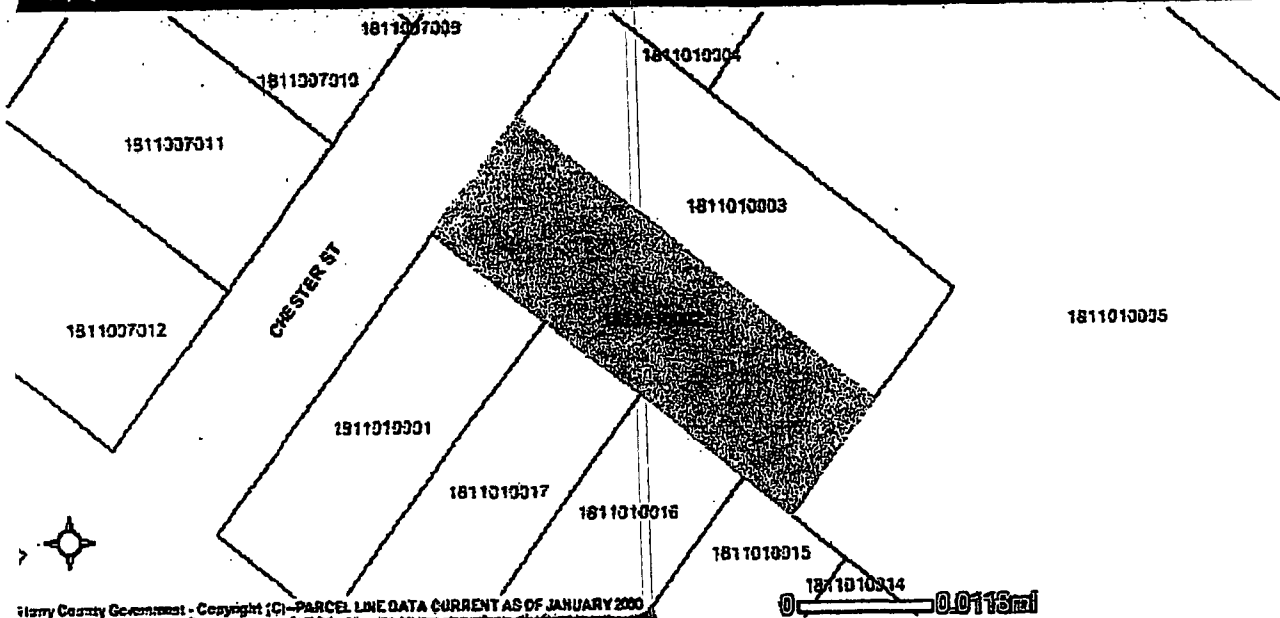
<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcIsrcH.do?prclno=1811010002&mapdetail...> 06/18/2009

2005	2989	8886	2,109.54	2,109.54	10/01/2005	NONE	FULL
2004	3020	7260	1,775.07	1,775.07	10/01/2004	NONE	FULL
2003	2974	7260	1,775.07	1,775.07	10/01/2003	NONE	FULL
2002	2774	7260	1,735.14	1,787.19	10/01/2002	NONE	FULL
2001	2559	7260	1,735.14	2,070.41	10/01/2001	NONE	FULL
2000	2470	7260	1,610.26	1,610.26	10/01/2000	NONE	FULL
1999	2158	7260	1,560.17	1,560.17	10/01/1999	NONE	FULL

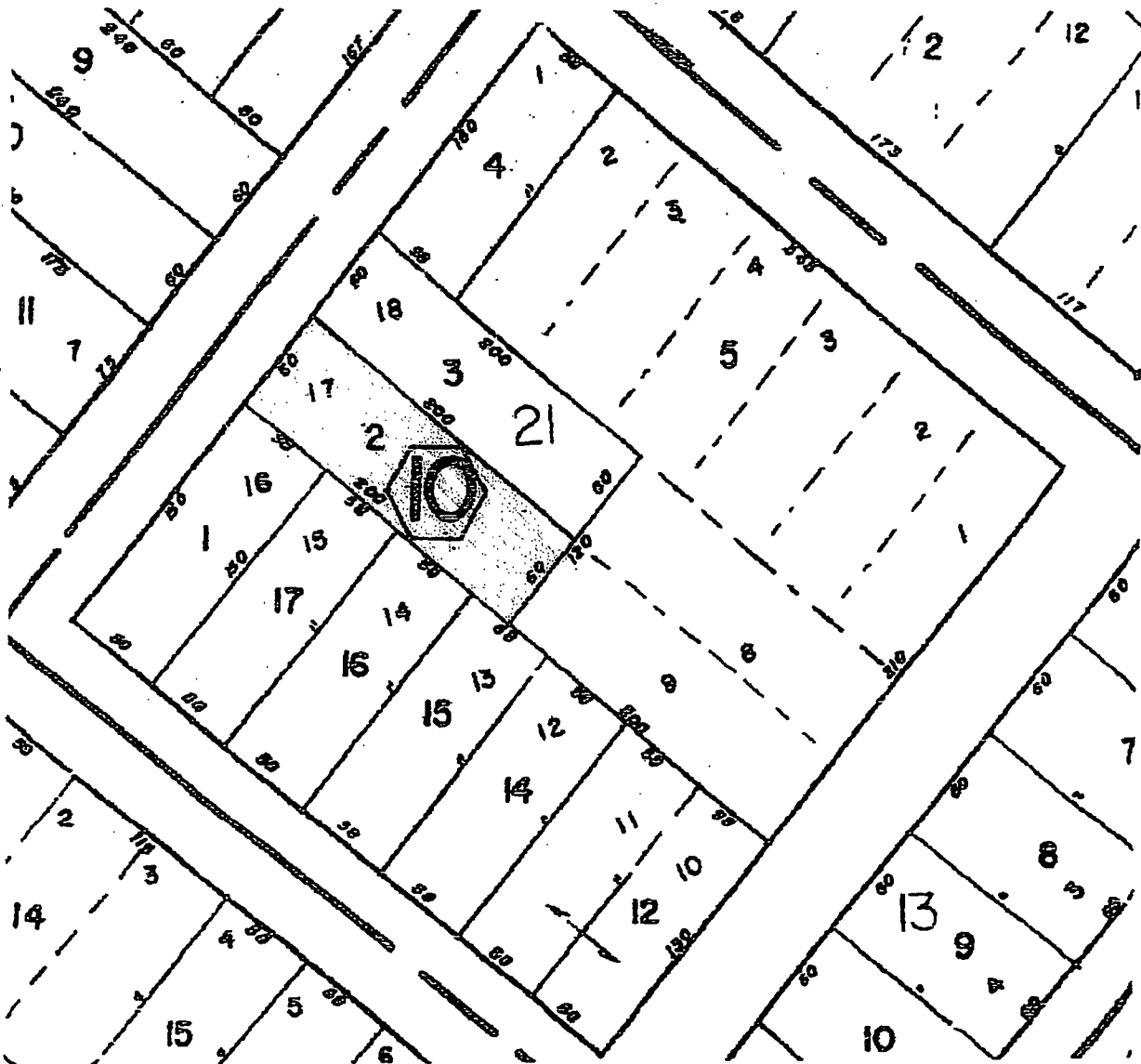
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TAX MAP
(PROPERTY 4)

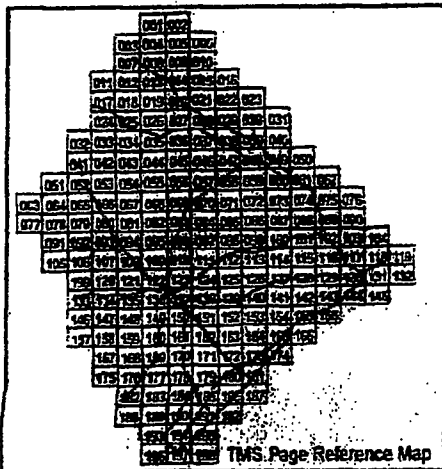


The shaded area is the subject.

EXECUTIVE SUMMARY

Name:	Quadplex Multi Family Units
Property Location:	400 & 402 Chester Street Myrtle Beach, South Carolina 29577
Tax Map No.:	TMS#181-10-10-001
Ownership:	Americana Motel of Myrtle Beach 405 Flagg Street Myrtle Beach, South Carolina 29577
Type Property:	Multi Family Unit
Type Appraisal:	Restricted Use
Utilities:	All Public
City Limits:	City of Myrtle Beach Horry County, SC
Date of Appraisal:	June 16, 2009
Date of Inspection:	June 5, 2009
Interest Appraised:	Fee Simple
Highest and Best Use:	
As Vacant:	Tourist Accommodations
As Improved:	Current Use
Land Size:	0.20 acres or 8,700 square feet
Building Size:	4,014 square feet
Zoning:	TA-80/ OZ conforming

85



- US Highways
- State Highways
- County Roads
- On Market (Existing)
- On Market (New)
- On Market (Changed)
- Comps (2008)
- Comps (2007)
- Comps (2006)
- Comps (2005)
- Comps (2004)
- Comps (2003)

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STS Property Information	
TMS	181-10-10-001
Zoning	TA80
Owner	American Mold Of Myrtle Beach
Street Address	405 Flagg St
City	Myrtle Beach
State	SC
Zip Code	29577
Total Rooms	-
Bedrooms	-
Full Baths	-
Half Baths	-
GIS Acres	0.215
Co Land Value	\$67,700.00
Co Impr Value	\$72,200.00
Co Total Value	\$140,160.00
Last Date Sold	12/21/2001
Sold Acres	0.2
Sold Price	\$200,000



Tech
Systems

Property Information

General Information

TMS: 181-10-10-001
Owner: Americana Motel Of Myrtle Beach Inc
Owner Addr.: 405 Flagg St
City: Myrtle Beach
State: SC
Zip: 29577
Zoning: TA80
LUC: 211

Study Area: Myrtle Beach
Subdivision:
Cnty Land Value: \$67,700
Cnty Impr. Value: \$72,200
Cnty Other Value: \$260
Cnty Total Value: \$140,160
Last Date Sold: 12/21/2001
Sold Price: \$200,000.00
Seller: Joseph D Johnson Trustee

Property Details

Year Built:
Cnty Bldg. Use: Apartment
Legal Desc. Lot 16 Bkl 21
Deed Book: 2437
Deed Page: 0800
Lot:
Block:
Section:
Tax Assess.:

Cnty Impr. SqFt:
Land Area SqFt:
Land Area Acres:
Bldg. Area SqFt:
Grd. Floor SqFt:
Rec. Room SqFt:
Street Number: 400
Street Name: Chester
Road Type: St

Bldg. Style:
Bldg. Condition:
Stories:
Total Rooms:
Family Rooms:
Bedrooms:
Full Baths:
Half Baths:
Fireplace:
Attic:
Heat System:



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 Ownership & Location Information

 Tax Information

[Map/Assess Info](#)

Ownership & Location Information:

Parcel #: 1811010001
 Tax Bill Mailing Address: 405 FLAGG ST
 MYRTLE BEACH SC 29577-4025
 Legal Description: LT 16 BL 21
 Current Owner: AMERICANA MOTEL OF MYRTLE BEACH INC
 Deed Book/Page: 2437/800
 Lender Identification: 0
 District: 880 / CITY OF MYRTLE BEACH
 # Of Lots: 1
 # Of Buildings: 2

[back to top](#)

Tax Information:

Current Fair Market Value: 139,900.00
 Residential Value: 0.00
 Farm Use Value: 0.00
 Other Value: 139,900.00
 Farm Market Value: 0.00
 Last Appraisal Date: 01/12/2005

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	3583	8394	2,140.47	2,354.52	10/01/2008	NONE	FULL
2007	3553	8394	2,115.29	2,115.29	10/01/2007	NONE	FULL
2006	3549	8394	2,039.74	2,039.74	10/02/2006	NONE	FULL

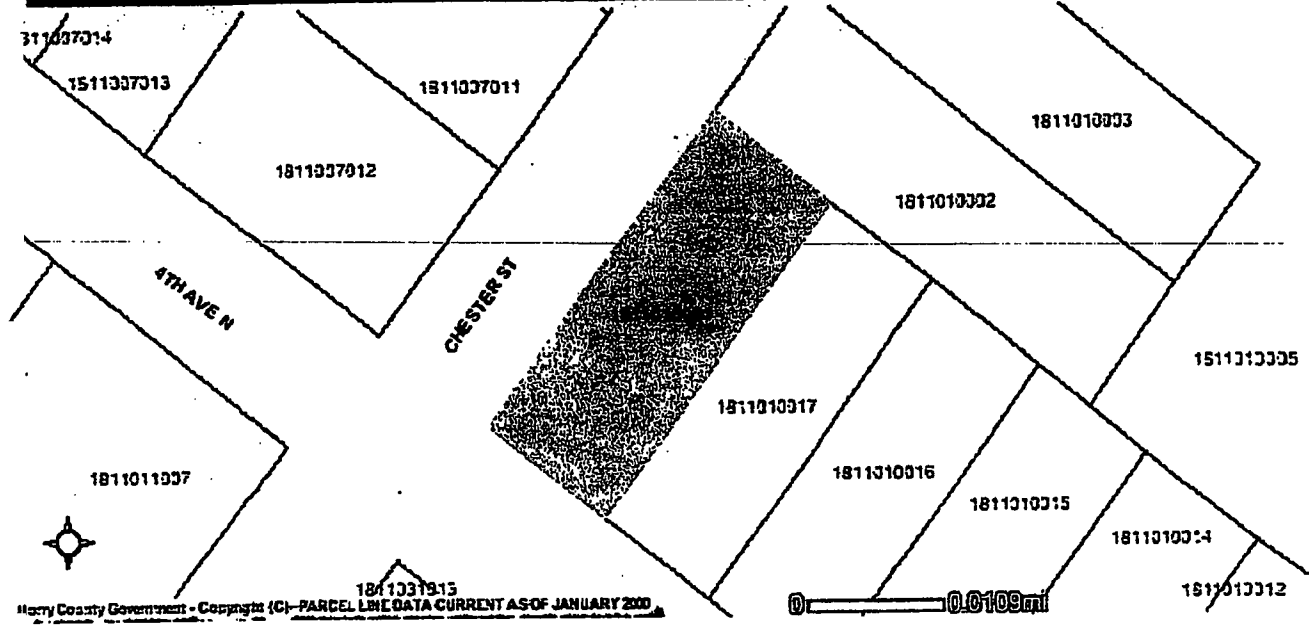
<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcIsrcH.do?prclno=1811010001&mapdetail...> 06/18/2009

2005	2988	8394	1,992.73	2,291.64	10/01/2005	NONE	FULL
2004	3019	7218	1,764.80	2,104.52	10/01/2004	NONE	FULL
2003	2973	7218	1,764.80	1,764.80	10/01/2003	NONE	FULL
2002	2773	7218	1,725.10	2,108.87	10/01/2002	NONE	FULL
2001	80426	7218	1,725.10	1,725.10	10/01/2001	NONE	FULL
2000	77259	7218	1,600.96	1,600.96	10/01/2000	NONE	FULL
1999	70189	7218	1,551.15	1,551.15	10/01/1999	NONE	FULL

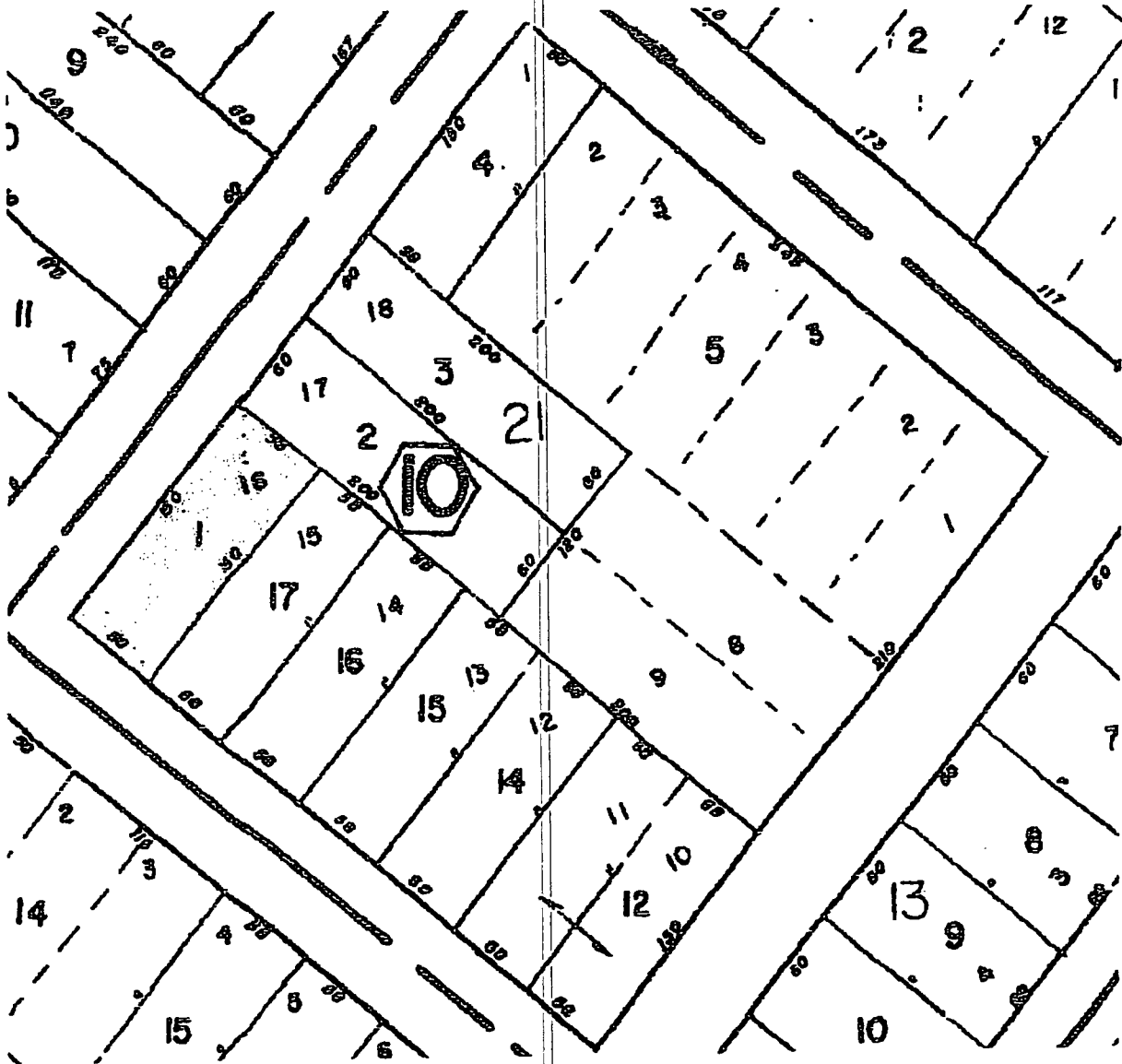
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TAX MAP
(PROPERTY 5)



The shaded area is the subject.

EXECUTIVE SUMMARY

Name: Quadplex Multi Family Units

Property Location: 309 5th Avenue, North
Myrtle Beach, South Carolina 29577

Tax Map No.: TMS#181-10-10-005

Ownership: Americana Motel of Myrtle Beach
405 Flagg Street
Myrtle Beach, South Carolina 29577

Type Property: Single Family Residential

Type Appraisal: Restricted Use

Utilities: All Public

City Limits: City of Myrtle Beach
Horry County, SC

Date of Appraisal: June 16, 2009

Date of Inspection: June 5, 2009

Interest Appraised: Fee Simple

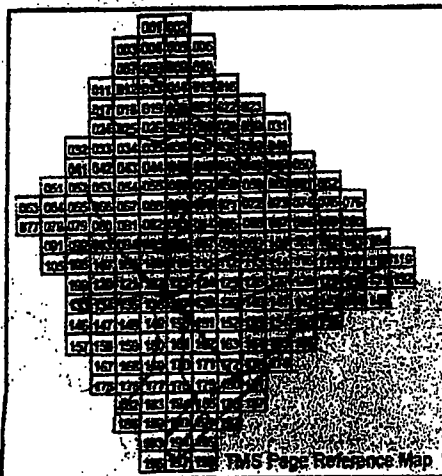
Highest and Best Use:
As Vacant: Tourist Accommodations
As Improved: Current Use

Land Size: 0.20 acres or 8,700 square feet

Building Size: 1,115 square feet

Zoning: TA-80/ OZ conforming

#16 portion



- US Highways
- State Highways
- County Roads
- On Market (Existing)
- On Market (New)
- On Market (Changed)
- Comps (2008)
- Comps (2007)
- Comps (2006)
- Comps (2005)
- Comps (2004)
- Comps (2003)

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1 STS Property Information	
TMS	181-10-10-005
Zoning	TA-80
Owner	Americana Motel Inc Americana
Street Address	405 Flagg St
City	Myrtle Beach
State	SC
Zip Code	29577
Total Rooms	-
Bedrooms	-
Full Baths	-
Half Baths	-
GIS Acres	1.709
Co Land Value	\$410,600.00
Co Impr Value	\$1,129,400.00
Co Total Value	\$1,578,800.00
Last Date Sold	-
Sold Acres	-
Sold Price	-



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Property Information

General Information

TMS: 181-10-10-005
 Owner: Americana Motel Inc Americana Motel Of Mb Inc
 Owner Addr.: 405 Flag St
 City: Myrtle Beach
 State: SC
 Zip: 29577
 Zoning: TA-80
 LUC: 301

Study Area: Myrtle Beach
 Subdivision:
 Cnty Land Value: \$410,600
 Cnty Impr. Value: \$1,129,400
 Cnty Other Value: \$38,880
 Cnty Total Value: \$1,578,880
 Last Date Sold:
 Sold Price:
 Seller:

Property Details

Year Built:
 Cnty Bldg. Use: Motel
 Legal Desc. Lt 2-9 Bl 21
 Deed Book:
 Deed Page:
 Lot:
 Block:
 Section:
 Tax Assess.:

Cnty Impr. SqFt:
 Land Area SqFt: 75794
 Land Area Acres: 1.74
 Bldg. Area SqFt:
 Grd. Floor SqFt:
 Rec. Room SqFt:
 Street Number:
 Street Name: 5th
 Road Type: Ave

Bldg. Style:
 Bldg. Condition:
 Stories:
 Total Rooms:
 Family Rooms:
 Bedrooms:
 Full Baths:
 Half Baths:
 Fireplace:
 Attic:
 Heat System:



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Ownership & Location Information

Tax Information

[Map/Assess.Info](#)

Ownership & Location Information:

Parcel #:	1731622005
Tax Bill Mailing Address:	PO BOX 4465 NORTH MYRTLE BEACH SC 29597-0000 LT 7 BL 5 AMERICANA OCEAN LLC
Legal Description:	
Current Owner:	
Deed Book/Page:	/
Lender Identification:	0
District:	880
# Of Lots:	1
# Of Buildings:	0

[back to top](#)

Tax Information:

Current Fair Market Value:	109,900.00
Residential Value:	0.00
Farm Use Value:	0.00
Other Value:	109,900.00
Farm Market Value:	0.00
Last Appraisal Date:	11/16/2006

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	3586	6594	1,681.47	1,731.91	10/01/2008	NONE	FULL
2007	3556	6594	1,661.69	1,910.94	10/01/2007	NONE	FULL
2006	3552	6468	1,571.73	1,571.73	10/02/2006	NONE	FULL
2005	2991	6468	1,535.51	1,535.51	10/01/2005	NONE	FULL

<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcIsrcH.do?prclno=1731622005&mapdetail...> 06/18/2009

FPSB_002027

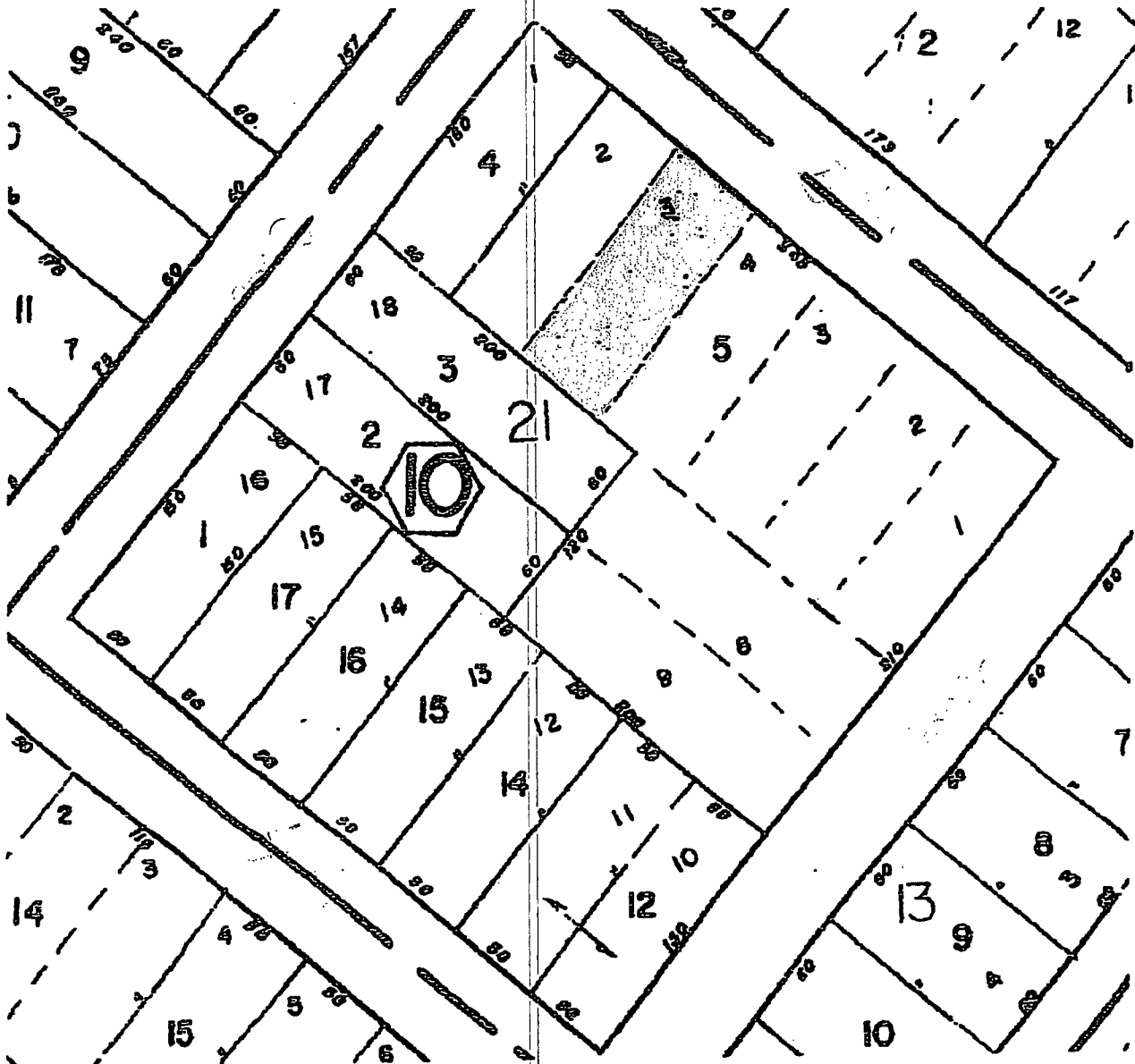
2004	116245	4590	1,122.26	1,122.26	10/01/2004	NONE	FULL
2003	113128	4590	1,122.26	1,122.26	10/01/2003	NONE	FULL
2002	110246	4590	1,097.01	1,097.01	10/01/2002	NONE	FULL
2001	106226	4590	1,097.01	1,097.01	10/01/2001	NONE	FULL
2000	102406	4590	1,018.06	1,018.06	10/01/2000	NONE	FULL
1999	93133	4590	986.39	986.39	10/01/1999	NONE	FULL

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TAX MAP
(PROPERTY 6)



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EXECUTIVE SUMMARY

Name: (2) Duplex Apartment Units

Property Location: 308 4th Ave., North
Myrtle Beach, South Carolina 29577

Tax Map No.: TMS#181-10-10-016

Ownership: Americana Motel of Myrtle Beach, Inc.
405 Flagg Street
Myrtle Beach, South Carolina 29577

Type Property: Single Family Residential

Type Appraisal: Restricted Use

Utilities: All Public

City Limits: City of Myrtle Beach
Horry County, SC

Date of Appraisal: June 16, 2009

Date of Inspection: June 5, 2009

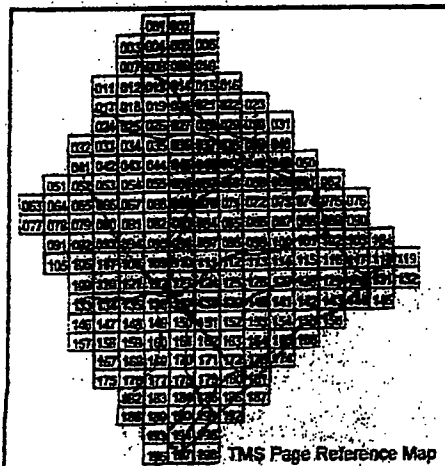
Interest Appraised: Fee Simple

Highest and Best Use:
As Vacant: Tourist Accommodations
As Improved: Current Use

Land Size: 0.56 acres or 24,500 square feet

Building Size: 1,871 square feet
1,871 square feet

Zoning: TA-80/ OZ conforming



- US Highways
- State Highways
- County Roads
- On Market (Existing)
- On Market (New)
- On Market (Changed)
- Comps (2008)
- Comps (2007)
- Comps (2006)
- Comps (2005)
- Comps (2004)
- Comps (2003)

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STS Property Information	
TMS	181-10-10-016
Zoning	TA80
Owner	Jones-bellamy Wendy
Street Address	405 Flagg St
City	Myrtle Beach
State	SC
Zip Code	29577
Total Rooms	-
Bedrooms	-
Full Baths	-
Half Baths	-
GIS Acres	0.201
Co Land Value	\$67,700.00
Co Impr Value	\$39,700.00
Co Total Value	\$108,860.00
Last Date Sold	7/23/2002
Sold Acres	-
Sold Price	\$44,100



Property Information

General Information

TMS: 181-10-10-016
Owner: Jones-bellamy Wendy
Owner Addr.: 405 Flagg St
City: Myrtle Beach
State: SC
Zip: 29577
Zoning: TA80
LUC: 301

Study Area: Myrtle Beach
Subdivision:
Cnty Land Value: \$67,700
Cnty Impr. Value: \$39,700
Cnty Other Value: \$1,460
Cnty Total Value: \$108,860
Last Date Sold: 7/23/2002
Sold Price: \$44,100.00
Seller: Estate Of Wendell Jones Jr

Property Details

Year Built:
Cnty Bldg. Use: Dwelling
Legal Desc. Lot 14 Blk 21
Deed Book: 2301
Deed Page: 1435
Lot:
Block:
Section:
Tax Assess.:

Cnty Impr. SqFt:
Land Area SqFt:
Land Area Acres:
Bldg. Area SqFt:
Grd. Floor SqFt:
Rec. Room SqFt:
Street Number:
Street Name: 4th
Road Type: Ave

Bldg. Style:
Bldg. Condition:
Stories:
Total Rooms:
Family Rooms:
Bedrooms:
Full Baths:
Half Baths:
Fireplace:
Attic:
Heat System:

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[Tax Information](#)
[Map/Assess.Info](#)

Ownership & Location Information:

Parcel #:	1811010016
Tax Bill Mailing Address:	405 FLAGG ST MYRTLE BEACH SC 29577-4025
Legal Description:	LT 14 BL 21
Current Owner:	JONES-BELLAMY WENDY
Deed Book/Page:	2501/1435
Lender Identification:	0
District:	880 / CITY OF MYRTLE BEACH
# Of Lots:	1
# Of Buildings:	3

[back to top](#)

Tax Information:

Current Fair Market Value:	107,400.00
Residential Value:	0.00
Farm Use Value:	0.00
Other Value:	107,400.00
Farm Market Value:	0.00
Last Appraisal Date:	01/12/2005

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	110269	6444	1,643.22	0.00	10/01/2008	DELINQUENT	OPEN
2007	107634	6444	1,623.89	1,623.89	10/01/2007	NONE	FULL
2006	99319	6444	1,565.89	1,565.89	10/02/2006	NONE	FULL
2005	89593	6444	1,529.80	1,529.80	10/01/2005	NONE	FULL

<http://www.horrycounty.org:8080/EGSV2Horry/RPResult.do>

06/18/2009

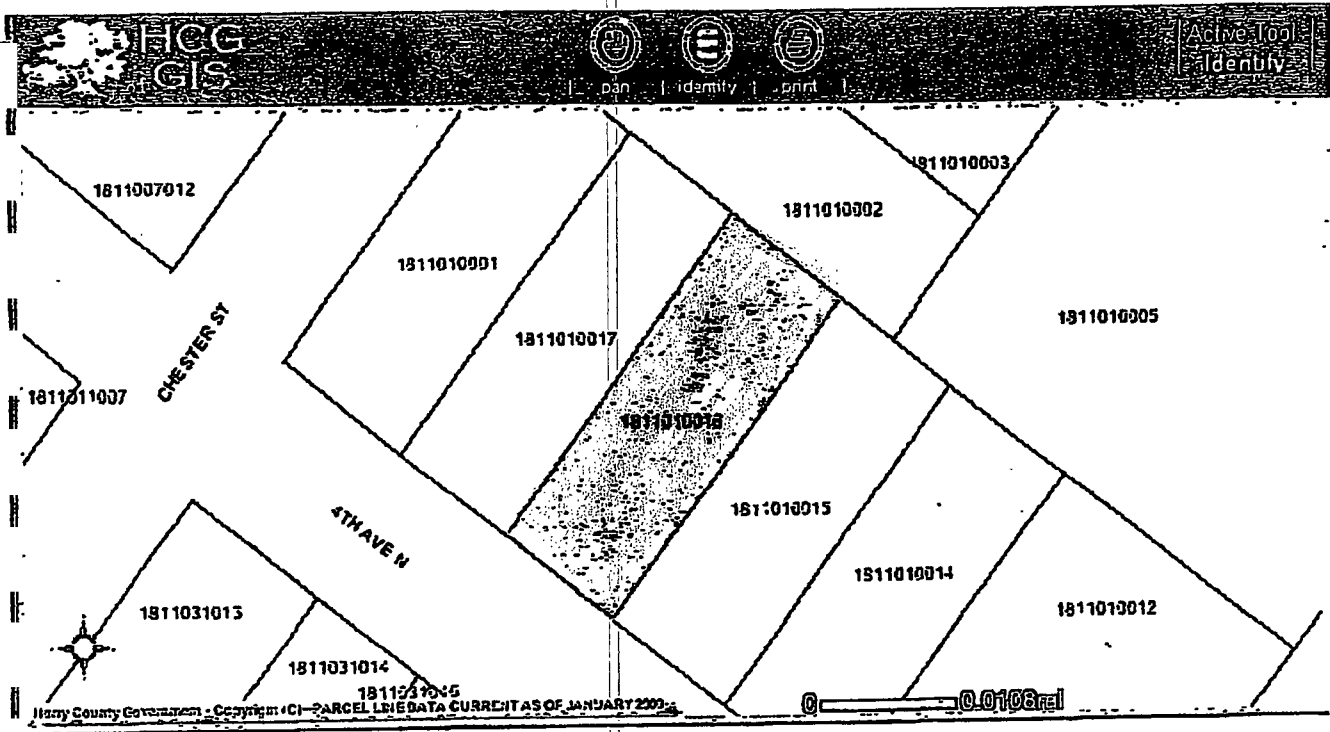
FPSB_002033

2004	90691	5292	1,293.89	1,293.89	10/01/2004 - NONE	FULL
2003	88263	5292	1,293.89	1,293.89	10/01/2003 NONE	FULL
2002	86048	5292	1,264.78	1,302.72	10/01/2002 NONE	FULL
2001	82750	5292	1,264.78	1,454.50	10/01/2001 NONE	FULL
2000	79520	5292	1,173.76	1,173.76	10/01/2000 NONE	FULL
1999	72241	5292	1,137.25	1,137.25	10/01/1999 NONE	FULL

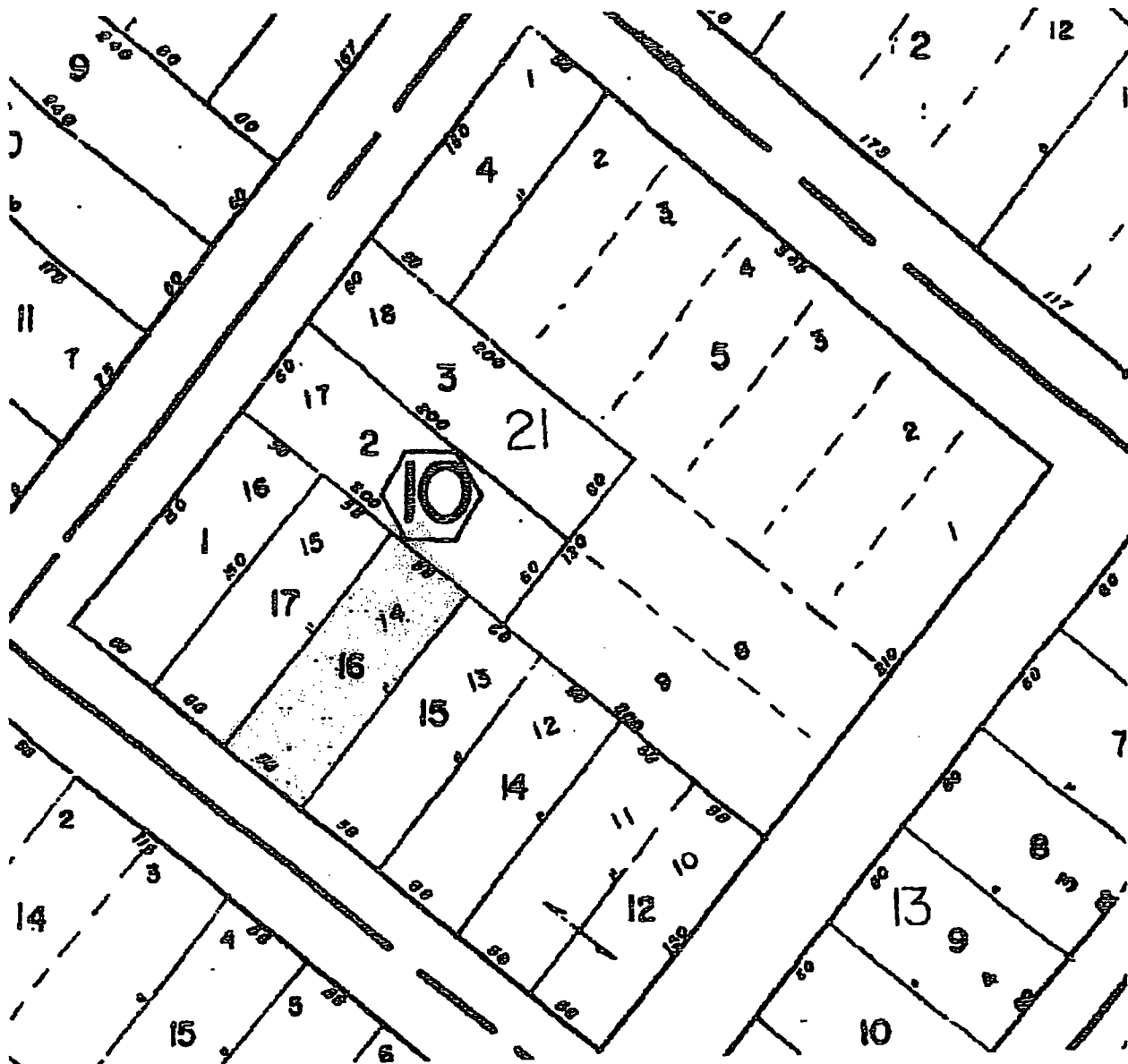
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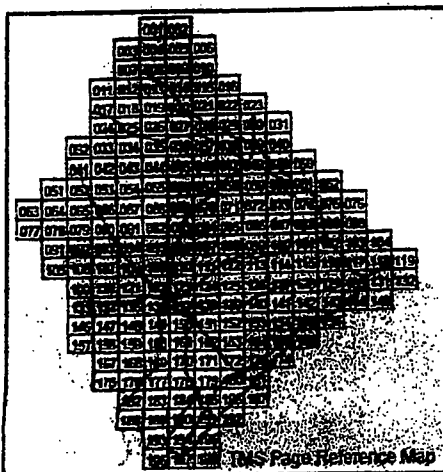
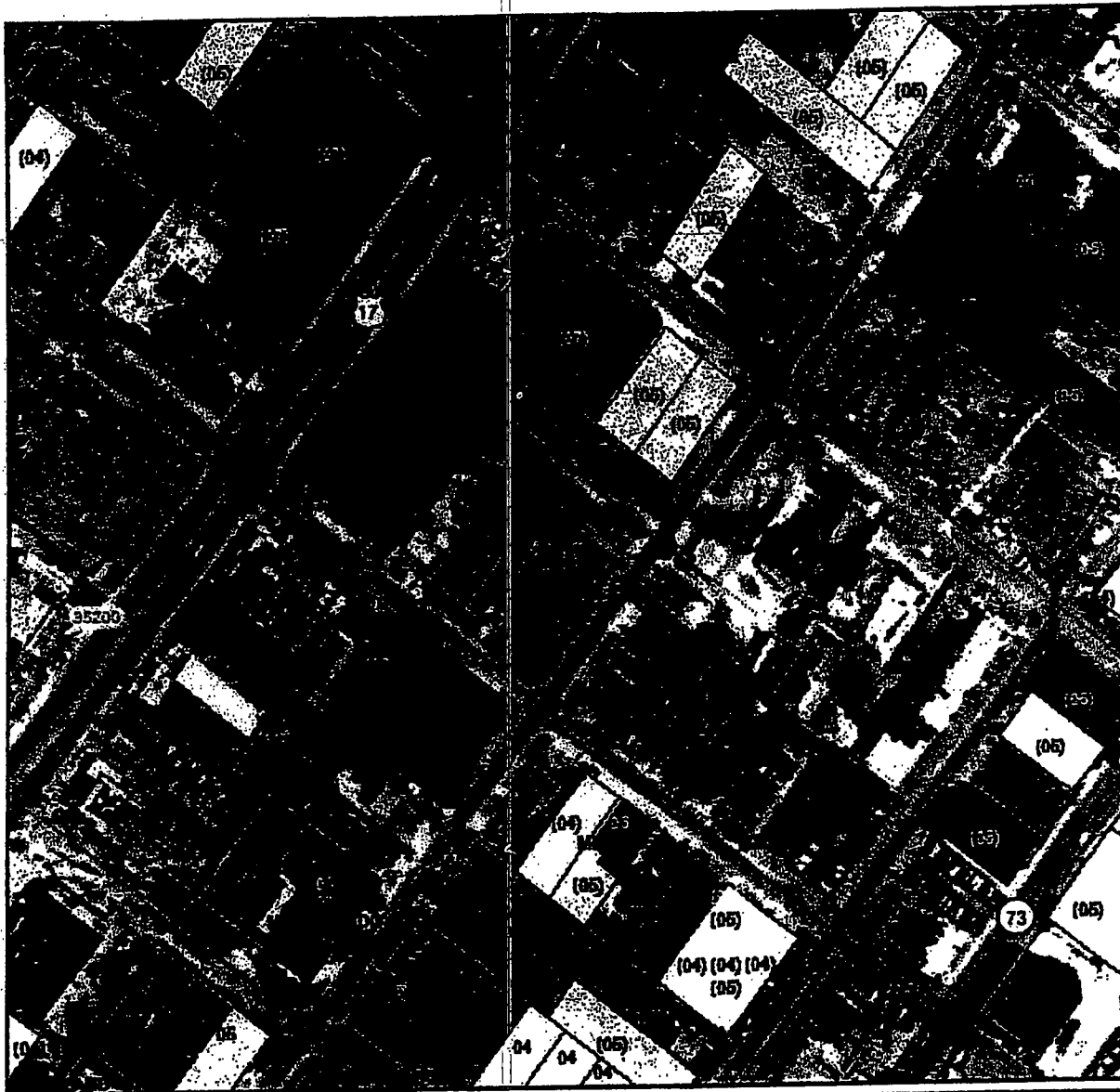


TAX MAP
(PROPERTY 7)



The shaded area is the subject.

#8



- US Highways
- State Highways
- County Roads
- On Market (Existing)
- On Market (New)
- On Market (Changed)
- Comps (2008)
- Comps (2007)
- Comps (2006)
- Comps (2005)
- Comps (2004)
- Comps (2003)

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STS Property Information	
TMS	181-10-07-011
Zoning	TA-80
Owner	Americana Motel Of Myrtle Beach
Street Address	405 Flegg St
City	Myrtle Beach
State	SC
Zip Code	29577
Total Rooms	-
Bedrooms	-
Full Baths	-
Half Baths	-
GIS Acres	0.248
Co Land Value	\$78,500.00
Co Impr Value	\$23,500.00
Co Total Value	\$103,000.00
Last Date Sold	4/10/1999
Sold Acres	-
Sold Price	\$120,000



Property Information

General Information

TMS: 181-10-07-011
Owner: Americana Motel Of Myrtle Beach Inc
Owner Addr.: 405 Flagg St
City: Myrtle Beach
State: SC
Zip: 29577
Zoning: TA-80
LUC: 301

Study Area: Myrtle Beach
Subdivision:
Cnty Land Value: \$78,800
Cnty Impr. Value: \$23,800
Cnty Other Value: \$460
Cnty Total Value: \$103,060
Last Date Sold: 4/10/1999
Sold Price: \$120,000.00
Seller: Beverly Sara Alice

Property Details

Year Built:
Cnty Bldg. Use: Dwelling
Legal Desc: 1/2 Lt 7-8 Pt Lt 9
Deed Book: 2133
Deed Page: 0850
Lot:
Block:
Section:
Tax Assess.:

Cnty Impr. SqFt:
Land Area SqFt:
Land Area Acres:
Bldg. Area SqFt:
Grd. Floor SqFt:
Rec. Room SqFt:
Street Number:
Street Name: Chester
Road Type: St

Bldg. Style:
Bldg. Condition:
Stories:
Total Rooms:
Family Rooms:
Bedrooms:
Full Baths:
Half Baths:
Fireplace:
Attic:
Heat System:



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 [Ownership & Location Information](#)

 [Tax Information](#)

[Map/Assess Info](#)

Ownership & Location Information:

Parcel #:	1811007011
Tax Bill Mailing Address:	405 FLAGG ST MYRTLE BEACH SC 29577-4025
Legal Description:	1/2 LT 7-8 PT LT 9 AMERICANA MOTEL OF MYRTLE BEACH INC 2133/850
Current Owner:	0
Deed Book/Page:	880 / CITY OF MYRTLE BEACH
Lender Identification:	1
District:	2
# Of Lots:	
# Of Buildings:	

[back to top](#)

Tax Information:

Current Fair Market Value:	102,600.00
Residential Value:	0.00
Farm Use Value:	0.00
Other Value:	102,600.00
Farm Market Value:	0.00
Last Appraisal Date:	01/12/2005

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	3582	6156	1,569.78	1,726.76	10/01/2008	NONE	FULL
2007	3552	6156	1,551.31	1,551.31	10/01/2007	NONE	FULL
2006	3548	6156	1,495.91	1,495.91	10/02/2006	NONE	FULL

<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcI Srch.do?prclno=1811007011&mapdetail...> 06/18/2009

FPSB_002039

2005	2987	6156	1,461.44	1,461.44	10/01/2005	NONE	FULL
2004	3018	4782	1,169.20	1,169.20	10/01/2004	NONE	FULL
2003	2972	4776	1,167.73	1,167.73	10/01/2003	NONE	FULL
2002	2772	4776	1,141.46	1,175.70	10/01/2002	NONE	FULL
2001	2558	4776	1,141.46	1,312.68	10/01/2001	NONE	FULL
2000	2469	4776	1,059.32	1,059.32	10/01/2000	NONE	FULL
1999	10795	4776	1,026.37	1,026.37	10/01/1999	NONE	FULL

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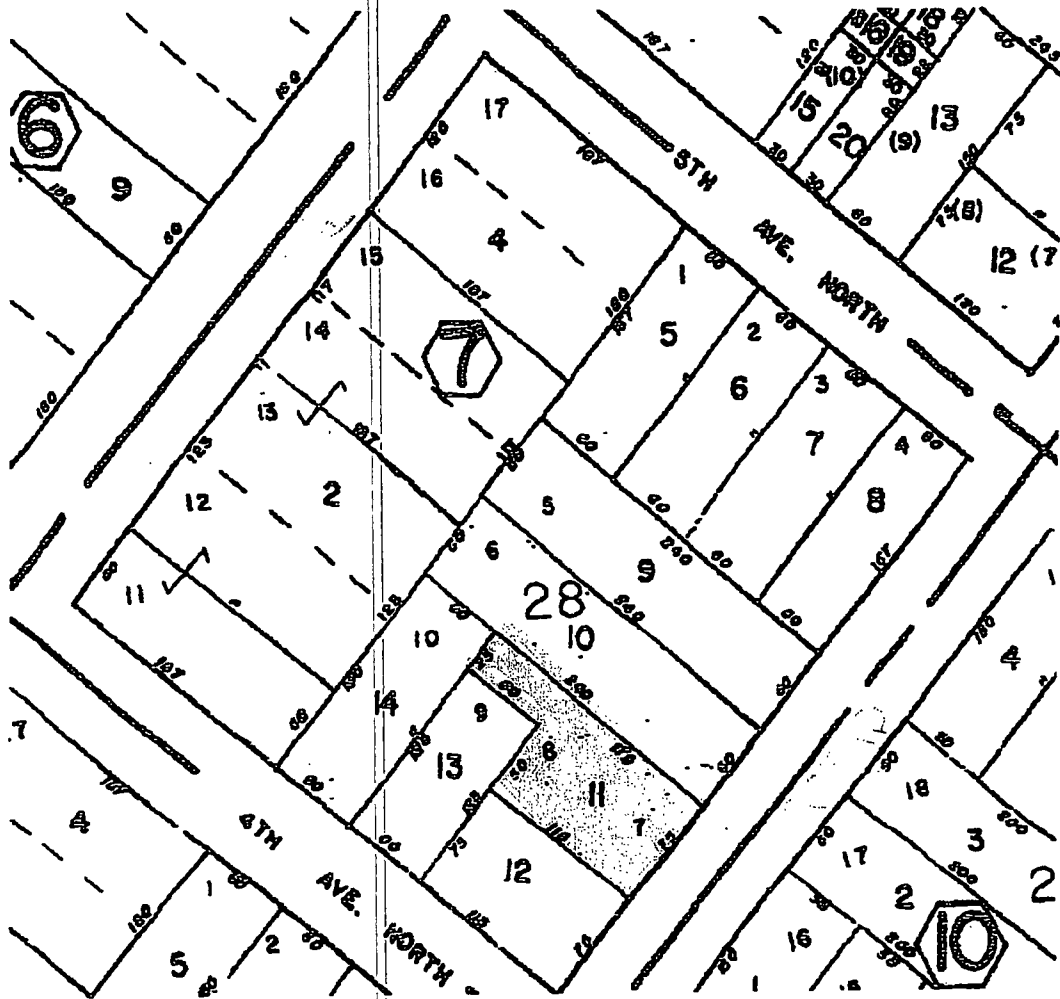
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<http://www.horrycounty.org:8080/EGSV2Horry/RPPrcIsrcH.do?prclno=1811007011&mapdetail...> 06/18/2009

FPSB_002040

TAX MAP (PROPERTY 8)



The shaded area is the subject.

EXECUTIVE SUMMARY

Name: (2) Vacant lots

Property Location: S/E Corner of 5th Ave. N and Chester Street
Myrtle Beach, South Carolina 29577

Tax Map No.: TMS#181-10-10-004

Ownership: Americana Motel of Myrtle Beach, Inc.
405 Flagg Street
Myrtle Beach, South Carolina 29577

Type Property: Single Family Residential

Type Appraisal: Restricted Use

Utilities: All Public

City Limits: City of Myrtle Beach
Horry County, SC

Date of Appraisal: June 16, 2009

Date of Inspection: June 5, 2009

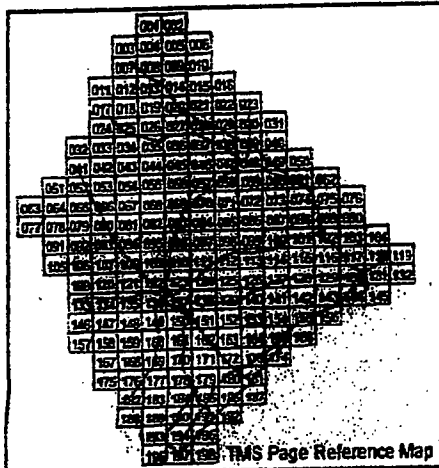
Interest Appraised: Fee Simple

Highest and Best Use:
As Vacant: Tourist Accommodations
As Improved: Current Use / Parking Lots

Land Size: 0.39 acres or 16,950 square feet

Building Size: N/A - VACANT LOTS

Zoning: TA-80/ OZ conforming



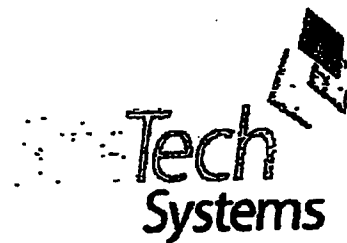
- US Highways
- State Highways
- County Roads
- On Market (Existing)
- On Market (New)
- On Market (Changed)
- Comps (2008)
- Comps (2007)
- Comps (2006)
- Comps (2005)
- Comps (2004)
- Comps (2003)

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STS Property Information	
TMS	181-10-10-004
Zoning	TA-80
Owner	Americana Motel Of Myrtle Beach
Street Address	405 Flagg St
City	Myrtle Beach
State	SC
Zip Code	29577
Total Rooms	-
Bedrooms	-
Full Baths	-
Half Baths	-
GIS Acres	0.2
Co Land Value	\$67,700.00
Co Impr Value	-
Co Total Value	\$67,700.00
Last Date Sold	-
Sold Acres	-
Sold Price	-



Property Information

General Information

TMS: 181-10-10-004
Owner: Americana Motel Of Myrtle Beach Inc
Owner Addr.: 405 Flegg St
City: Myrtle Beach
State: SC
Zip: 29577
Zoning: TA-80
LUC: 300

Study Area: Myrtle Beach
Subdivision:
Cnty Land Value: \$67,700
Cnty Impr. Value:
Cnty Other Value:
Cnty Total Value: \$67,700
Last Date Sold:
Sold Price:
Seller:

Property Details

Year Built:
Cnty Bldg. Use:
Legal Desc. Lt | Bl 21
Deed Book:
Deed Page:
Lot:
Block:
Section:
Tax Assess.:

Cnty Impr. SqFt:
Land Area SqFt:
Land Area Acres:
Bldg. Area SqFt:
Grd. Floor SqFt:
Rec. Room SqFt:
Street Number:
Street Name: 5th
Road Type: Ave

Bldg. Style:
Bldg. Condition:
Stories:
Total Rooms:
Family Rooms:
Bedrooms:
Full Baths:
Half Baths:
Fireplace:
Attic:
Heat System:

 The data herein is believed to be accurate, but we offer no guarantee, express or implied, made as to its accuracy. Please refer to our data source information and disclaimer as www.SiteTechSystems.com	Please Refer to Accompanying Map Data. Copyright 2016 Site Tech Systems	  Site Tech Systems proudly uses ESRI GIS Software
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You are Here: [homepage](#) > [gateway](#) > [real property search](#) > [assessor info](#)

Assessor Ownership, Location, and Tax Information

The below information represents all pertinent assessor data based upon the parcel number that you selected. To view the real property with Mapping interface simply click the "Map/Assess.info" button


[Ownership & Location Information](#)

[Tax Information](#)
[Map/Assess.info](#)

Ownership & Location Information:

Parcel #:	1811010004
Tax Bill Mailing Address:	405 FLAGG ST MYRTLE BEACH SC 29577-4025
Legal Description:	LT 1 BL 21
Current Owner:	AMERICANA MOTEL OF MYRTLE BEACH INC
Deed Book/Page:	/
Lender Identification:	0
District:	880 / CITY OF MYRTLE BEACH
# Of Lots:	1
# Of Buildings:	0

[back to top](#)

Tax Information:

Current Fair Market Value:	67,700.00
Residential Value:	0.00
Farm Use Value:	0.00
Other Value:	67,700.00
Farm Market Value:	0.00
Last Appraisal Date:	01/12/2005

Tax Year	Receipt Number	Assessed Value	Taxes Owed	Taxes Paid	Post Date	Collection Status	Paid Status
2008	3585	4062	1,035.81	1,139.39	10/01/2008	NONE	FULL
2007	3555	4062	1,023.63	1,023.63	10/01/2007	NONE	FULL
2006	3551	4062	987.07	987.07	10/02/2006	NONE	FULL

<http://www.horrycounty.org:8080/EGSV2Horry/RPResult.do>

06/18/2009

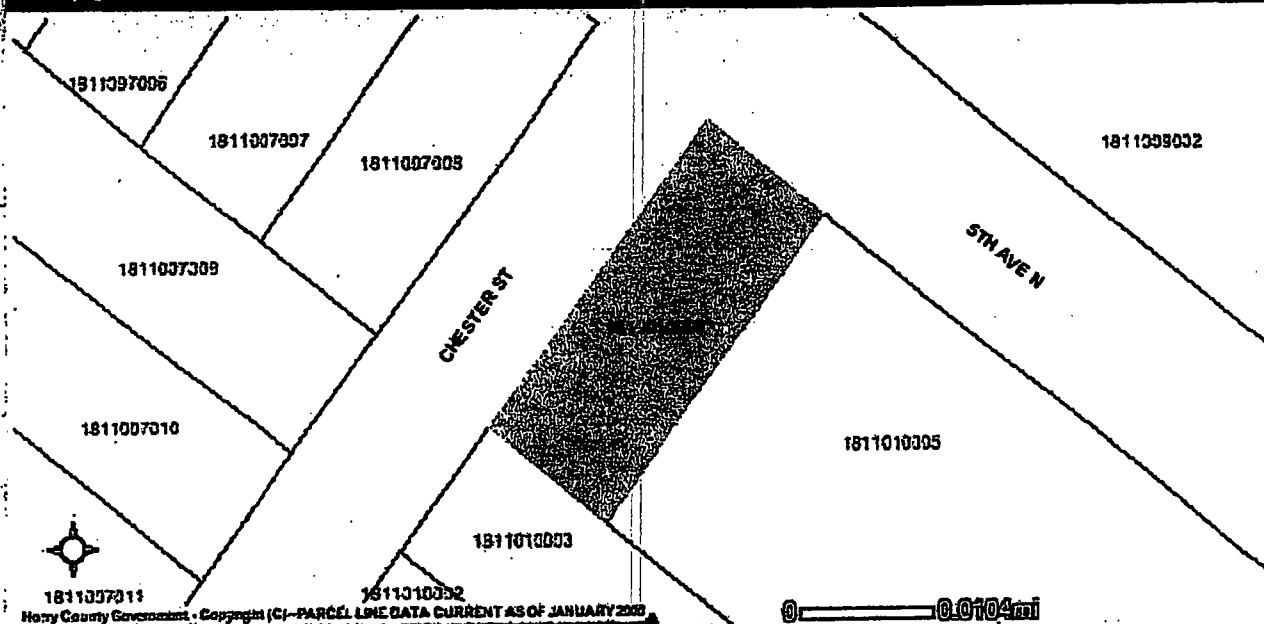
FPSB_002045

2005	2990	4062	964.32	964.32	10/01/2005	NONE	FULL
2004	3021	2886	705.63	705.63	10/01/2004	NONE	FULL
2003	2975	2886	705.63	705.63	10/01/2003	NONE	FULL
2002	2775	2886	689.76	710.45	10/01/2002	NONE	FULL
2001	2560	2886	689.76	793.22	10/01/2001	NONE	FULL
2000	2471	2886	640.12	640.12	10/01/2000	NONE	FULL
1999	2159	2886	620.21	620.21	10/01/1999	NONE	FULL

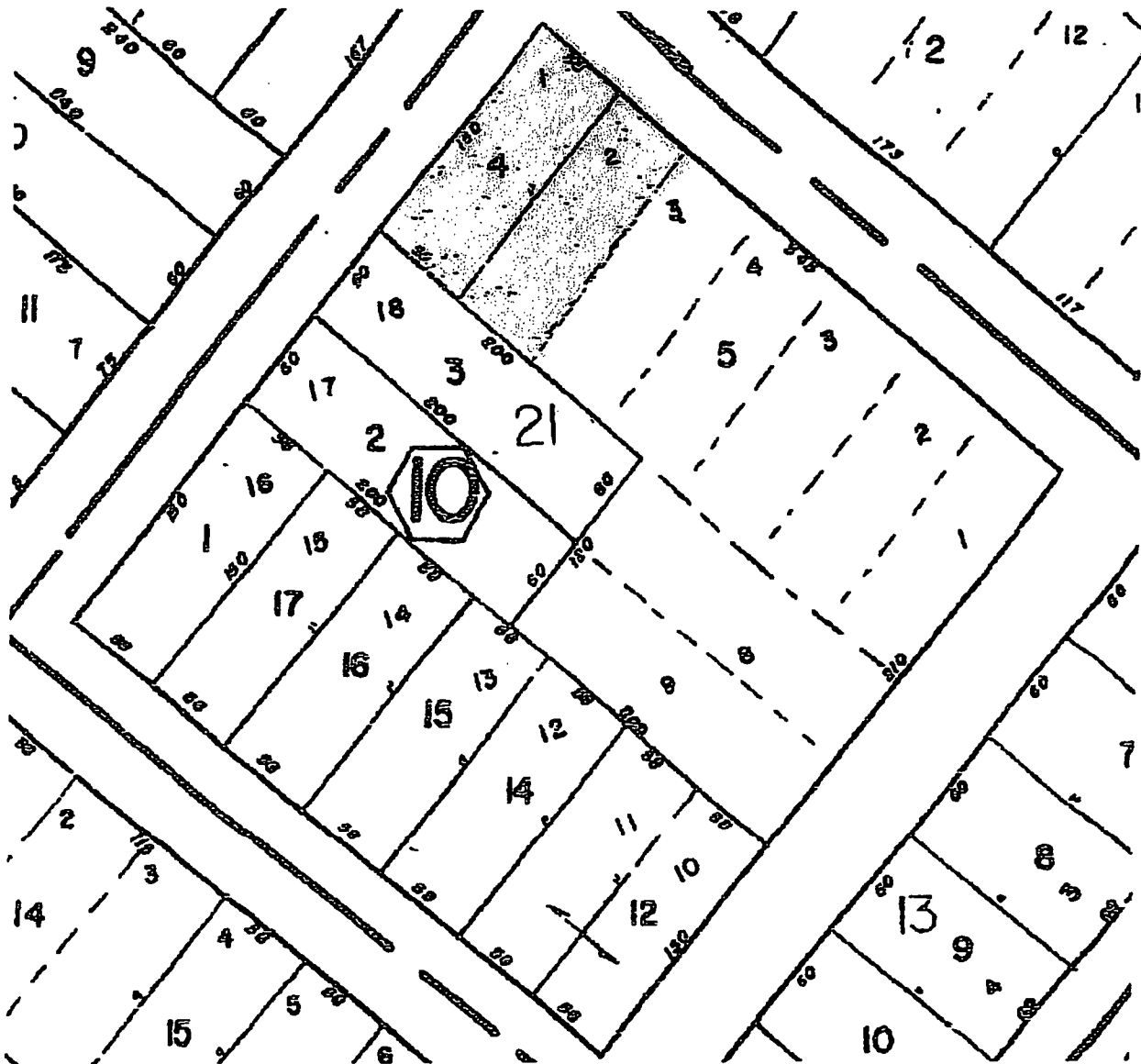
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TAX MAP
(PROPERTY 9)



The shaded area is the subject.

HISTORY AND OWNERSHIP

The subject properties are owned by several different individuals and entities according to the tax records and register of deeds for Horry County. A table showing ownership and deed recording information is contained in the addenda of this report for the client's review.

INTENDED USE AND USER OF THE APPRAISAL

The intended user is First Palmetto Savings Bank, FSB. The intended use is for internal valuation purposes for collection and foreclosure purposes.

EFFECTIVE DATE OF THE APPRAISAL

The effective date of value is June 5, 2009.

FLOOD INFORMATION

It does not appear that the subject property lies within a FEMA designated flood zone. However, flood maps can be somewhat inaccurate and the appraiser recommends that the client utilize a professional with the proper expertise to accurately determine the location of the subject property relating to any flood hazard area. Please refer to Horry County Flood Map # 45051C0684H, dated 08/23/1999, for further information.

COMPETENCY STATEMENT

The *Uniform Standards of Professional Appraisal Practice (USPAP)* contains a provision relative to the ability of the appraiser to perform the appraisal assignment in a competent manner. This provision requires that prior to accepting an appraisal assignment; the appraiser must thoroughly and properly identify the appraisal problem and possess the knowledge and experience to adequately and competently complete the appraisal assignment. In the event the appraiser does not possess adequate background and knowledge with which to appropriately address the appraisal assignment, he/she may draw upon or associate with another appraiser or consultant who does possess the necessary background and experience. In those instances where association with another individual was utilized, the name(s) of the individual and the extent of the association is identified herein. Therefore, with respect to the preparation of this report the provisions of the competency requirement have been adequately met.

HYPOTHETICAL CONDITIONS

None.

EXTRAORDINARY ASSUMPTIONS

It is assumed that the facility remains under competent management that is familiar in the operational matters concerning a limited service lodging facility. It is also assumed that all mechanical systems are in proper working order. The appraiser also makes the assumption that the facility improvements are free from any wood destroying organisms or other pests.

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This appraisal report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication.
3. The appraisers, by reason of this appraisal, are not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
4. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firms with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
5. That one or both of the appraisers have personally inspected the subject property and finds no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
6. That no termite inspection report was available, and the appraiser assumed the improvements to be free of infestation or damage caused by termites or other wood boring insects.
7. Hazardous Waste: Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, or other environmental conditions, were not called to the attention of nor did the appraiser become aware of such during the appraisers' inspection. The appraisers have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraisers, however, are not qualified to test such substances or conditions. If the presence of such substances, such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions, may

affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

8. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. I (we) have not made a specific compliance survey and analysis of this property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed 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 fact could have a negative effect upon the value of the property. Since I (we) have no direct evidence relating to this issue, I (we) did not consider possible non-compliance with the requirements of the ADA in estimating the value of the property.
9. Wetlands legislation is ever changing and interpretations of their whereabouts are beyond the appraiser's expertise. If wetlands exist and their impact on the value of the subject property are not discussed in this report, the value estimate for the subject will need to be reconsidered by the appraiser and the value conclusions contained herein are not applicable.
10. The liability of Palmetto Valuation & Appraisal, LLC, its employees and independent contractors is limited to the client only and to the fee actually received by the appraiser. Further, there is no accountability, obligation, or liability to any third party. If this report is put in the hands of anyone other than the client, the client make such party aware of all limiting conditions and assumptions of the assignment and related discussions. Further, notwithstanding, anything herein to the contrary, the client will forever indemnify and hold Palmetto Valuation & Appraisal, LLC, and its officers and employees harmless from any claims by third parties related in any way to the appraisal or study which is the subject hereof. Third parties shall include limited partners of client if client is a partnership and stockholders of client if the client is a corporation, and all lenders, tenants, past owners, successors, assigns, transferees and spouses of client. The appraiser is in no way to be responsible for any costs incurred to discover or correct any deficiencies of any type present in the property; physically, financially, and /or legally.

SCOPE OF WORK

Scope of Work is defined in the "Uniform Standards of Professional Appraisal Practice", published by the Appraisal Standards Board of the Appraisal Foundation, 2006 Edition, Page 4, lines 147 through 153 as:

SCOPE OF WORK: "the amount and type of information researched and the analysis applied in an assignment."

The Scope of Work can be found on page 14 of the Uniform Standards of Professional Appraisal Practice.

The Scope of Work Rule states that:

For each appraisal, appraisal review, and appraisal consulting assignment, appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the Scope of Work necessary to develop credible assignment results; and
3. Disclose the Scope of Work in the report.

In this appraisal report, the following items were performed:

- Identified the Client and Other Intended Users
- Identified and Inspected the Subject Property
- Defined the Problem to be Solved and the Value to be Estimated

- Legal Description and History
- Highest and Best Use
- Zoning and Taxes
- Flood Maps
- Identified, Collected, Verified and Analyzed Comparable Data
- Applied the Appropriate Valuation Techniques
- Reconcile all Approaches to Value used and Final Opinion of Value
- Prepared Applicable Maps and Drawings
- Dictated and Published the Appraisal Report

This appraisal firm utilizes the Horry County websites to obtain legal information which includes site boundaries, soil types, topography, zoning, ownership and sales history, information on flood zones, flood ways and wetlands.

This appraisal firm also uses the following sources for sales and rental information: Real Estate Information Service or REIS, Costar and Loopnet online comparable sales databases, Horry County/Grand Strand Consolidated Multiple Listing Service, the Marshall and Swift Commercial Cost Manual, Horry County tax assessors website and a large appraisers database of information that Palmetto Valuation & Appraisal, LLC is updating on a regular basis.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate the Market Value of the Unencumbered Fee Simple Ownership of the subject property.

Market Value is defined by the Office of the Comptroller of Currency as "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 is acting in what he considers his 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 in the open market.
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.

DEFINITIONS

Market Value: As defined by The *Federal Register*, vol. 55, no. 163, August 22, 1990, pages 34228 and 34229, and found in The Appraisal of Real Estate, (Twelfth Edition), is:

"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 sellers, 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:

A. Buyer and seller are typically motivated;

B. Both parties are well informed or well advised, and each acting in what he considered his own best interest;

C. A reasonable time is allowed for exposure in the open market;

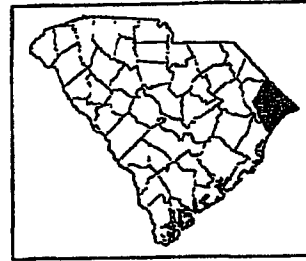
D. Payment is made in terms of cash in U.S. Dollars or in terms of financial arrangements comparable thereto; and,

E. The price represents a normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

Fee Simple Interest is defined in The Appraisal of Real Estate (Twelfth Edition), as follows: *"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."*

MYRTLE BEACH/ HORRY COUNTY AREA DATA

The subject property is located in Myrtle Beach in Horry County. Horry County is a coastal county in South Carolina. Its coastal location makes Horry County a hub for recreation and business in South Carolina. As of the 2003 census, there were 210,757 people, 81,800 households, and 54,478 families residing in the county. Horry is one of the state's fastest growing counties.



Horry County offers something for everyone. The area is blessed with an abundance of natural beauty, outdoor recreational opportunities, and mild climates with year-round activities. Due to its coastal location, the area provides attraction for tourists, as well as citizens looking for a relaxed environment.

BRIEF HISTORY

The northeastern corner of South Carolina, known as Horry (pronounced O-REE') County, is a diverse land of rivers, beaches, forests and swamps. Horry County is bordered on its eastern side by the Atlantic Ocean and on its western side by Georgetown County, the Great and Little Pee Dee Rivers and Drowning Creek, also known as the Lumber River, and on the north by North Carolina. The Waccamaw River runs through the eastern half of the county. In the middle to late 1800s, the county was sometimes referred to as "the Independent Republic of Horry", a nickname that had a humorous beginning and referred to politically independent minded people.

Horry County has been inhabited for at least ten thousand years. The area that is today Horry County was once the home of the Waccamaw tribe, a Siouan people.

In 1663, the area we now know as South Carolina and North Carolina was part of land granted to eight powerful Englishmen, known as the Lords Proprietors, by King Charles II of England. The western boundary of the land grant was the "South Seas". In 1729, all but one of the Lords Proprietors sold their interest in the grant to England's King George II who later dispatched surveyors to lay out eleven townships in South Carolina in order to develop the "back country" of the Carolina Province. Kingston Township, located on the Waccamaw River, was one of those original townships. The village located within the township was called Kingston, now known as Conway.

Early surveyors found a wilderness that would draw fur traders, second sons of

English nobility, and adventurous settlers seeking land. Many went seeking religious freedom. Those of wealth and consequence bought or were granted large tracts of land.

As these settlers slowly moved into the Horry County area, then known as Craven County, some settled along the coast to fish the Atlantic Ocean and its inlets. As a result, the coastal fishing village of Little River developed and is one of the oldest settlements in the county. The fur trade continued to flourish but the naval stores industry and farming eventually became prevalent. In the 1700s and early 1800s, indigo was a major cash crop for the coastal area. The indigo was harvested from plants introduced to the area and from them a dye was made that was very much in demand in Europe. Several indigo plantations were situated along the Horry County coastline. Cattle and pigs were also important commodities in this area, just as they were throughout early coastal South Carolina.

From the earliest days of Horry County's history up until the latter half of the 19th Century, the naval stores industry was prominent in Horry County. The seemingly inexhaustible supply of pitch, pine tar, turpentine, and a variety of other naval products supplied many Horry County citizens with the majority of their income until the industry tapped out all of the natural resources needed for the production of naval stores and moved southward in the late 1800s.

Horry citizens, like other colonists, could be separated into two main groups as the British American colonies approached 1776. Those known as Whigs wanted to break all ties with England. On the opposite end were the Tories who remained loyal to the throne.

The Horry County area saw small skirmishes during the Revolutionary War. General Francis Marion, known as the "Swamp Fox" for his ability to disappear into the swamps, had relatives in the area and passed through on occasions. Many of "Marion's Brigade" came from the Horry County area, which was then a part of Georgetown District. Col. Peter Horry served under General Marion, and the two combined to eventually rid the area of the British.

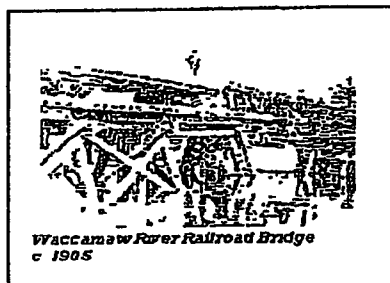
A planter of French Huguenot descent, Peter Horry (O-REE') was born in SC ca. 1747. A lieutenant colonel in the Revolution and later brigadier general in the SC Militia, he represented Prince George Winyah and All Saints parishes in the SC House and Senate. In 1801, Kingston County, which had been formed from Georgetown District in 1785, was renamed Horry District for Peter Horry. He died in 1815 and is buried at Trinity Episcopal Church in Columbia, SC.

The years between the Revolutionary War and War Between the States were peaceful; new commerce and settlers entered the county. The Tariff of 1828,

enacted to protect northern industry by imposing duties on imported goods, enraged southern cotton growers who mostly traded with England. This, along with the famous 1857 Dred Scott decision, a Supreme Court case that ruled against the exclusion of slavery in states, served to further divide the country.

These issues brought three ideologies to the forefront, Secessionists, Unionists, and Cooperationists. The Secessionists strongly believed a state that had joined the Union voluntarily, should, at will, be able to withdraw. The Unionists, on the opposite side of the issue, just as strongly believed that a state may have the legal right to withdraw, but it was not morally correct to do so. In the middle of this heated debate, were the Cooperationists. This group agreed that a state had both the moral and legal right to withdraw, but felt that cooperation was more productive.

In 1860, southern states sent delegates to a convention to discuss the issue of Secession. In December of that year, South Carolina, a staunch state's rights supporter, was first to adopt an Ordinance of Secession. Horry County, while not aggressively Secessionist, joined the "Cause" as soon as South Carolina seceded. On April 12, 1861 cadets from the Citadel, SC's military college in Charleston, fired on Federal forces at Fort Sumter in Charleston harbor as they were attempting to re-supply the fort which SC argued was state property. The War had begun. The thundering sound of the bombardment in Charleston Harbor could be heard in Horry District.



Although no major battles were fought in Horry, the Civil War had a major impact on the county. Somewhere around 90 percent of the county's white male population marched off to war. They saw fighting on nearly all of the major battlefields. Many of these men, young and old alike did not live to return to Horry District again. Most military activity in the area during that time involved the Union naval blockade of our coast.

While Horry's men fought for Southern independence, the women, left alone, faced outrageous prices, a Diphtheria epidemic which killed many children, and, in the closing days of the war, roving bands of deserters. The county seat, which had originally been named Kingston but renamed Conwayborough after another Revolutionary War figure, Robert Conway, was raided early in 1865. Also, early in the year of 1865, Union troops aboard gunboats, fresh from Maine, sailed up from Georgetown to Conwayborough and occupied the county seat.

After the War Between the States economic progress gradually returned to the

area. The first train pulled into Conway in mid-December of 1887. This era also saw an end to the naval stores industry that the area's economy had depended on since the arrival of the first settlers. With the profits of cotton falling, the farmers of Horry started turning to tobacco as a cash crop in the late 1890s.

In 1900, the Conway & Seashore Railroad was established from Conway to the seashore at Long Bay and the new town at the end of the tracks was named Myrtle Beach, named after the native Wax Myrtle shrub which grew behind the dunes. Burroughs & Collins Co. built the first hotel at the beach and named it the Seaside Inn. The new resort was first used by Conway residents.

In 1898, Conwayborough shortened its name to Conway and was finally incorporated after being founded 166 years earlier in 1732. Loris, a stop on the railroad leading to Chadbourn, NC, grew quickly as a market for the tobacco growers. It was incorporated in 1902. The town of Aynor was laid out in 1911 in the western section of the county and connected to Conway and Myrtle Beach by the Conway Coast & Western Railroad tracks. It was incorporated in 1914.

Several important events for Horry County occurred in the period between the dawning of the 20th century and the start of World War I. The first automobile was seen in Conway in 1906 and Paul Quattlebaum, the son of a local leader, brought electric lights to the area. A new Horry County courthouse was dedicated on May 22, 1908. It was the third courthouse to serve the area. The former one, located on Main Street in Conway and completed in 1825, was designed by Robert Mills, the designer of the Washington Monument, and is currently used by Conway city government as the Conway City Hall.

In response to German submarines that had patrolled off the coast of the eastern United States during World War I, the United States Congress commissioned the Intracoastal Waterway in 1919. When finished in 1936, the Waterway stretched across the coastal section of the county, connecting Little River to Socastee Swamp and the Waccamaw River. The final portion of the Waterway to be completed was in Horry County. The official national dedication and opening of the Waterway was held in Socastee at the site of the existing turn-bridge.

Even though the Stock Market crashed in 1929 and the great Depression followed in 1930, most county residents persevered. The average resident was a farmer, used to the daily struggle to survive. Myrtle Beach continued to grow and was eventually incorporated in 1938. Other improvements to the area at that time included the establishment of the Myrtle Beach State Park which opened in early 1934.

When war once again came to the U.S. on December 7, 1941, Germans once again

patrolled off of the South Carolina coast. It was not uncommon to hear explosions or see oil slicks and debris along area beaches. The Intracoastal Waterway became an important means of marine transportation as it provided a safe route for boats. It was common to see German soldiers on the streets of Myrtle Beach and Conway. These soldiers were German prisoners of war being held at a camp in Myrtle Beach. The soldiers were often allowed much freedom and many worked in the local communities. In the name of national defense, the United States Army took over 100,000 acres between the Intracoastal Waterway and present day Highway 90, forcing over 300 families to relocate. The land was used to establish a bombing range and flight school.

Horry's men, never ones to wait for a draft, volunteered in droves to fight for their country. The ladies, most of which were left behind as in other wars, formed a branch of the USO in Myrtle Beach, while some enlisted and served overseas in various capacities. Horry's men and women served their country in exotic places and many made the ultimate sacrifice.

During the 1950s, the Grand Strand continued to grow into a family vacation destination. Growth was stunted temporarily by Hurricane Hazel which came ashore north of Myrtle Beach in October of 1954. The devastation was compounded by its arrival during high tide. The category 4 hurricane left much of the Grand Strand in ruins. The rebuilt Grand Strand was little like its southern, ocean side resort predecessor. Investors with large capital discovered the investment potential and took the opportunity Mother Nature offered to replace the single family cottages and small oceanfront hotels with large hotels and golf courses.

GOVERNMENT

Myrtle Beach operates under the Council-Manager form of government, in which the City Council sets policy and hires a full-time professional city manager as chief executive officer to oversee day-to-day operations of the city and its staff. Tom Leath is the City Manager.

The City Manager's Office includes the City Clerk, the Office of Budget and Evaluation, the Public Information Office and the Risk Management Office. John Pedersen and Ron Andrews are the Assistant City Managers. Myrtle Beach has approximately 780 full-time employees.

The City Clerk is ex-officio clerk of the city council. The clerk shall give notices of meetings, post the agenda, attend regular and special meetings, record votes of council, keep minutes of council meetings and perform such other duties as may be assigned by the city manager. Joan Grove is the City Clerk.

The Office of Budget and Evaluation is responsible for producing the city's budget and other financial documents each year, as well as overall financial planning for the city and debt management for capital improvement projects. Mike Shelton is the Budget Director.

The Public Information Office issues news releases, responds to media inquiries and provides background information on city services, programs and projects. The office publishes a monthly and quarterly newsletters and an annual report, and serves as webmaster for the City of Myrtle Beach home page. The department also programs and manages MBTV, Channel 15 on the Time Warner Cable System. City Council meetings are broadcast live on this channel. Mark Kruea is the Public Information Officer.

The Risk Management Office is responsible for the protection of the assets of the City against losses, which may adversely affect its operation and continuity of services. This is done through a program of identifying and assessing hazards and loss exposures and by selecting the best technique to avoid, control, assume or transfer the risk. The Risk Management Office manages the insurance program, including the workers compensation program, employee safety training, safety committees, environmental safety, accident investigation and emergency protocols. Val Rosser is the Risk Manager.

MEDICAL SERVICES

At Conway Medical Center, they've made the future of healthcare a reality of today. Building on more than 70 years of experience, the center has launched a new era in healthcare for the community with the opening of their expanded facilities. CMC is harnessing the marvels of modern technology with features like their brand new state-of-the-art cardiac catheterization lab. They've fulfilled their vision to offer today's most advanced diagnostic and surgical procedures. And they've made a commitment to healthier tomorrow with the opening of The BirthPlace – the maternity care center of the future. Certified as a Level II Perinatal Center and a Level III Trauma Center, CMC prides itself on bringing their community excellent health care.

Loris Healthcare System serves northwestern Horry County and the coastal communities of the North Strand area in South Carolina; and southern Brunswick and Columbus counties in North Carolina. Our healthcare system is comprised of Loris Community Hospital, Seacoast Medical Center, Center for Health & Fitness, Loris Extended Care Center, and Family Health Centers in Loris and Green Sea.

Grand Strand Regional Medical Center is a 219-bed acute care hospital serving residents and visitors of Horry and surrounding counties. The hospital offers the only cardiac surgery program in Horry and Georgetown counties and is also a designated trauma center. In 2008, the hospital performed close to 400 heart surgeries, delivered 1000+ babies and treated over 66,000 Emergency Department patients. This hospital, located in the heart of Myrtle Beach, has more than 250 physicians, over 900 staff members and over 200 hospital volunteers to serve you.



EDUCATION

Horry County Schools is a county-wide school district in coastal South Carolina serving more than 37,000 students. It is the third largest among the state's 85 districts, and has nine attendance areas.

The district has a total of 48 schools which include 26 elementary schools, eleven middle schools, nine high schools, two academies, a Scholars Academy, an Early College high school, and an alternative school.

Horry County is also home to seven private schools, including Christian and Catholic schools servicing all ages.

Coastal Carolina University (CCU or Coastal) is an independent, state-supported university in Conway, South Carolina, located eight miles (13 km) west of Myrtle Beach, South Carolina. Founded in 1954, Coastal became an independent university in 1993. The University enrolls approximately 7,500 undergraduate and 500 graduate students on its 307 acre campus. Baccalaureate programs are offered in 40 major fields of study, along with graduate programs in education, business administration (MBA) and coastal marine and wetlands studies. The school is composed of its main campus in Conway and also offers courses in Litchfield, Myrtle Beach, North Myrtle Beach and Georgetown. The University is a Sea-grant institute and owns Waites Island, a 1,105-acre (4.47 km²) barrier island which serves as a natural laboratory.

No matter your academic and career goals, Horry-Georgetown Technical College can help you get there. HGTC offers more than 70 programs of study in today's hottest career fields, pre-baccalaureate degree transfer programs, including a Bridge Program with neighboring Coastal Carolina University, and skills-specific training along the beautiful South Carolina coast. Also, the College offers learning at three physical locations and online, to make college education accessible. Plus, HGTC's tuition is only 40% of what students pay at most South Carolina four-year colleges and universities.

RECREATION

The Horry County and Myrtle Beach area is known for its vast recreational opportunities. From sandy beaches to active night life, there is something for everyone to experience in this part of the state. There are also festivals year round.

The Riverfest festival in Conway features country, beach and boogie music, children's entertainers, an Artisans Market, bass fishing tournament, a three-day USTA-sanctioned tennis classic, kayak races, a homemade river raft race, boat parade and so much more! There are two run areas, the area located near the Peanut Warehouse and the Riverfront Park area, simultaneously.



The Sun Fun Festival on the Grand Strand kicks off the summer season with music, celebrities, beauty pageants, air shows, parades and anything else you can pack into four days of celebration and fun. The Sun Fun Festival is most noted for the Miss Sun Fun and Miss Sun Fun Teen Pageants. The Sun Fun parade brings locals and visitors alike out in droves to see area floats, marching bands, clowns and more parade along Ocean blvd in an unforgettable extravaganza. Each year the area builds a bigger sand castle to top the previous years world record for the world's biggest sand castle. There are many kid's activities and breath taking air shows. The official four day Sun Fun Festival is a well-known and anticipated start-up for the summer season in Myrtle Beach SC. It continues through the summer with an outdoor, family friendly, concert series and comes to a close with the renowned Beach Boogie and BBQ Festival at the end of August.

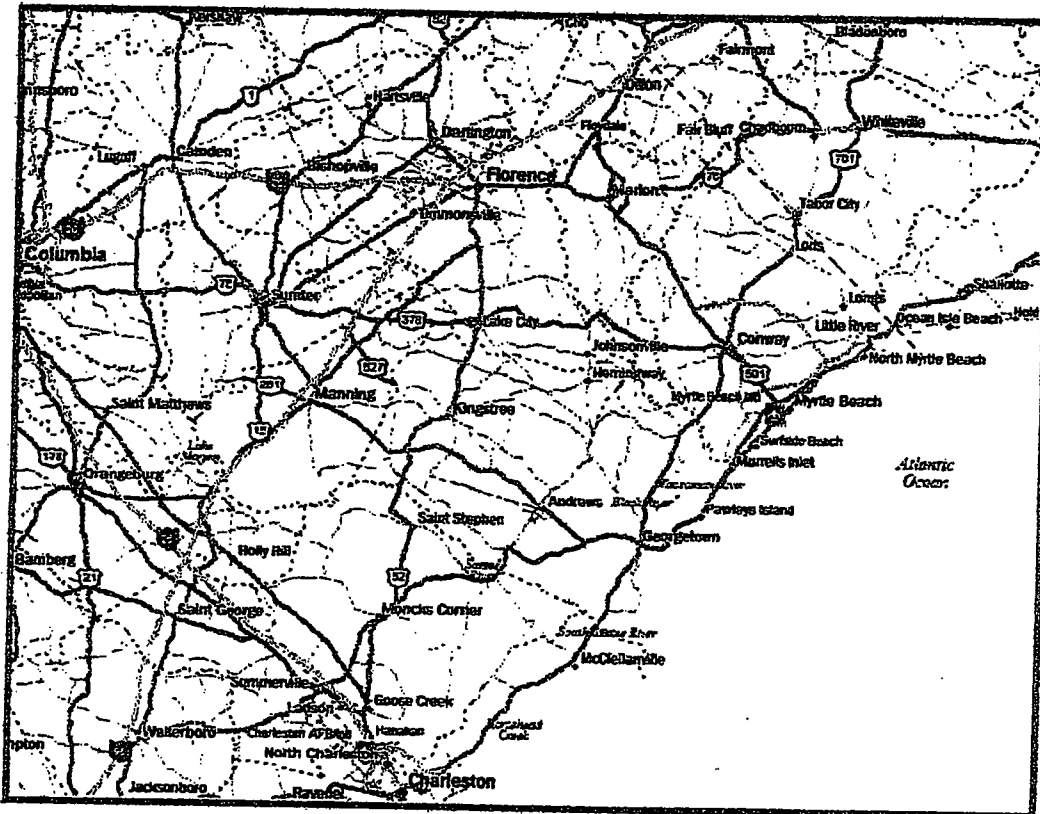
The Veteran's Golf Tournament in Myrtle Beach is a way to celebrate those who've sacrificed much for our nation, and a chance for everyone to get together in a relaxed environment. Military Veterans, active Military personnel and their families from across the country come together in Myrtle Beach for fun, great golf and camaraderie. This three-round team tournament features a different format each day and is flighted based on the combined team handicap. Singles are always welcome and will be paired with other players by the event staff.

CONCLUSION

Horry County and the Myrtle Beach area offer a variety of activities to its residents. Also, due to the mild climate, activities in the area are enjoyed year round. The coastal location provides opportunities for shopping, dining, outdoor recreation, and business opportunities. The area is therefore benefited with a broad based, stable economy, which is positively impacted by government. The above



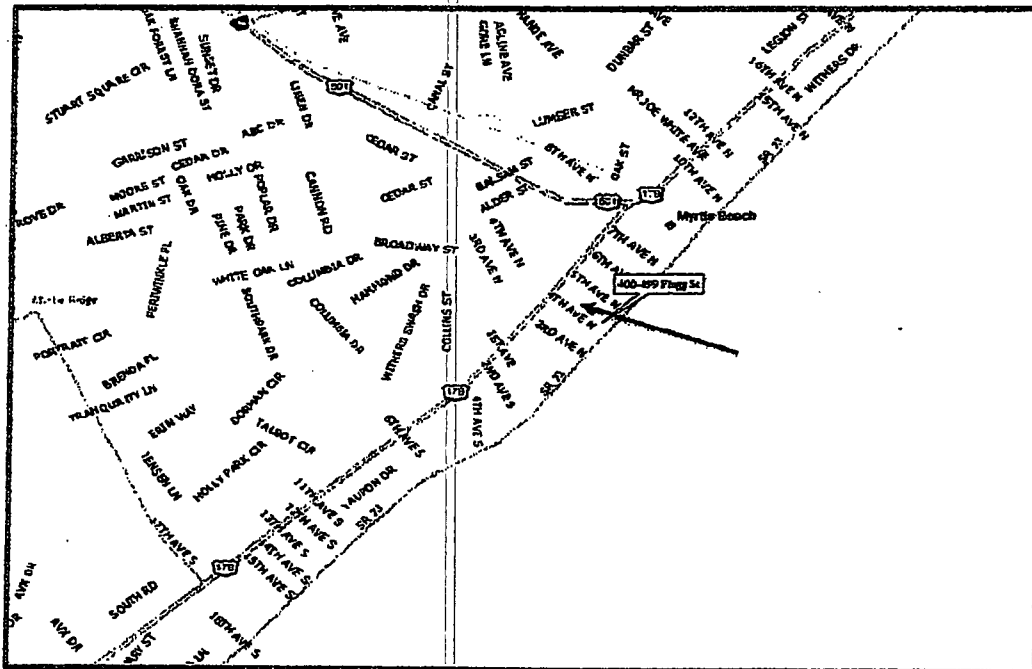
information is just a fraction of what this area has to offer. The Grand Strand region is a wealth of activity and enjoyment. The area includes a various social makeup with its related assortment of cultural, historic, and entertainment offerings, and the area has a pleasant climate and desirable location. The Grand Strand area has all the necessary municipal and private facilities necessary to make it very competitive with other areas of the state. The economic, governmental, social and environmental considerations, which influence real estate, appear to be in balance in the Grand Strand area.



Regional Map - Grand Strand Area

NEIGHBORHOOD DESCRIPTION

The subject properties are located at the corner of 4th and 5th Avenue North and Chester Street in the older part of Myrtle Beach, South Carolina. This area was once the heart of the tourist area for the entire Grand Strand Area of Myrtle Beach. It is made up of various commercial businesses and lodging facilities. There is a very large number of eating establishments and arcade businesses that continue to occupy the immediate area. Though many of the smaller mom and pop type motels have given way to high rise concrete and steel structures, there remains many non franchised lower budget lodging facilities aimed for the economical minded tourist. Most of these facilities enjoy excellent occupancy rates during the summer months; most of them close completely during the off season. Many of the retail and restaurant establishments follow suit until early spring when the golfing industry picks up. With over 100 golf courses in the Grand Strand area, the golfing industry has essentially expanded the tourist season from four months to eight months in duration. Several years ago there was a conscious decision from both elected officials and business leaders to begin a movement away from this area to the Highway 17 Bypass area like Broadway at The Beach, in order to capitalize on the increased tourist traffic. There was ample area primed for development and this change generated the potential numbers of clientele that was necessary to draw the nationwide retailers. The economic center of the entire beach area certainly moved with this exodus of commercial growth. While this has been a challenge for the remaining establishments in this neighborhood, they have adapted and adjusted pricing of services and products to continue to be viable, though not as profitable as in the past. With the recent economic slowdown and recession, it has been increasingly difficult to survive in this business environment. There remains a strong tie to this area of the Grand Strand for many people and visitors. There is easy access to the Atlantic Ocean with many required public accesses essentially every block; this continues to attract many visitors to the area. Whether it will be strong enough to return this area to economic stability and security remains to be seen.



General Location Map - Subject Properties

SCOPE OF THE APPRAISAL

The work performed in preparing this appraisal included:

- ☐ a visit to the property;
- ☐ interview with the owner or agents of the owner
- ☐ consideration and analysis of the highest and best use of the property;
- ☐ collection, confirmation, and analysis of data concerning comparable sales and competing properties currently for sale;

The information was compiled from interviews with real estate professionals, and research of public records and office files. This restricted appraisal report presents statements concerning the subject property as well as the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. It is not intended to comply with Standards 2.2 of USPAP, but to assist the client with a range of anticipated values of the values used as additional collateral in a related transaction.

HIGHEST AND BEST USE

According to The Appraisal of Real Estate, highest and best use is defined as: *"The reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."*

When considering the highest and best use of a property, four criteria should be considered. The possible uses should be:

- 1) Physically Possible
- 2) Legally Permissible
- 3) Financially Feasible
- 4) Maximally Productive

The highest and best use of the subject is for commercial development use. The subject property can support a variety of commercial and retail uses. With the recent economic downturn, it is most feasible to continue operations in its' current use as some type of limited service lodging facility. In most cases, corner lots can command a premium price due to increased exposure and accessibility. This premium can occasionally increase the value of up to 25% in many cases. With time, it would appear that since most of the properties are reaching the end of their remaining economic life, redevelopment of the sites would be the highest and best use once it becomes economically feasible. Under such a plan, the property can also be used for a variety of retail, commercial or office/institutional purposes and should command a premium price due to the proximity to the Atlantic Ocean.

VALUATION

Comparable sales have been located and researched. To find these sales, the following resources were reviewed: local multiple listing sales information, the public records of Horry & Georgetown counties, and our appraisal files. A sample of the sales reviewed is presented below.

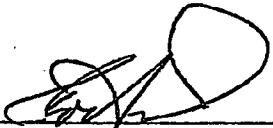
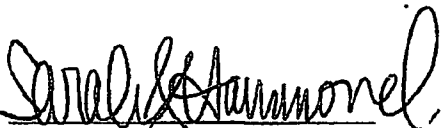
#	Estimated Value	TMS #	Size (SF)	Value/SF
1	\$145,000.00	181-10-10-003	1,890 SF	\$76.72
2	\$165,000.00	181-10-10-002	3,599 SF	\$45.85
3	\$195,000.00	181-10-10-001	4,014 SF	\$48.58
4	\$190,000.00	181-10-10-005	1,482 SF	\$128.21
5	\$120,000.00	181-10-10-016	1,817 SF	\$66.04
6	\$115,000.00	181-10-10-011	1,871 SF	\$61.47
7	\$200,000.00	181-10-10-004	16,950 SF	\$11.80

TOTAL VALUE OF ALL PARCELS: \$1,015,000.00

CERTIFICATE OF THE APPRAISER(S):

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
- We 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.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our 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.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice*.
- We have made an exterior inspection of the property that is the subject of this report.
- No one provided significant real property appraisal assistance to the person signing this certification.
- C. Vernon Hammond is Certified General appraiser, #CG5782, duly licensed and certified by the State of South Carolina. He has met the continuing education requirements as mandated by the South Carolina Real Estate Appraisers Board.
- Sarah J. Hammond is a licensed Apprentice Appraiser # AA6314, with the State of South Carolina and has met the continuing education requirements as mandated by the South Carolina Real Estate Appraisers Board.


C. Vernon Hammond
SC Certified General #5782
Sarah J. Hammond
SC Apprentice Appraiser # AA6314

FPSB_002071

QUALIFICATIONS OF THE APPRAISER

CHARLES VERNON HAMMOND

EXPERIENCE

- Served in various capacities for the past 30 years in all lending aspects of banking to include commercial lending, mortgage lending, asset valuation and appraisal review functions
- Currently serves as the senior review analyst, Internal Asset Review Committee, of First Palmetto Savings Bank, F.S.B.
- Currently serves on the Senior Finance Committee responsible for all Commercial Loan reviews in excess of 1 million dollars with sole responsibility for all Asset Valuation determinations

EDUCATION

- Distinguished Military Graduate
B.S., Business Administration, 1979
The Citadel, Charleston, South Carolina
- Commissioned, Second Lieutenant, United States Army
- Graduate, United States Army Engineer School
U.S. Army Corps of Engineers, 1980
Fort Belvoir, Virginia/ Honorably Discharged, U.S. Army Reserve, 1996

Appraisal Courses/Seminars:

L1 – Real Estate Appraisal Principles / 2003
L2 – Market Data Analysis / 2003
L3 – Uniform Standards Update (USPAP) / 2003
CR – Uniform Residential Appraisal Report / 2003
C1 – Income Property Appraisals / 2006
C2 – Advanced Income Capitalization Procedures / 2006
C3 – Applied Income Property Valuation / 2006
CE – HP – 12C Financial Calculator Seminar / 2006
CE – Discounted Cash Flow Analysis Seminar / 2006
CE – Timber & Timberland Evaluation Seminar / 2007
CE – How to Beat the Review Appraiser at His Own Game / 2007
CE – Uniform Standards Of Professional Appraisal Practice / 2007
CE – Effective Appraisal Writing – 2008
CE – Maintaining Control – Dealing with Client Pressure / 2008
CE – Analyzing Distressed Property/2008
CE – Valuation of REO; Foreclosure and Pre-Foreclosure/2009

CE - Business Practices & Ethics - 2009

- Associate Member, The Appraisal Institute

EMPLOYMENT HISTORY

- May 1979: Security Federal Savings & Loan Association
Columbia, South Carolina
Management Associate
- December 1981: Security Federal Savings & Loan Association
City Executive, Vice President
Bishopville, South Carolina
- May 1984: Security Federal Savings & Loan Association
City Executive, Vice President
Camden, South Carolina
- February 1986: Palmetto State Savings Bank
Senior Vice President, Mortgage Lending
Camden, South Carolina
- November 1990: First Palmetto Savings Bank, FSB
Senior Vice President, Mortgage Lending and Branch Operations
Camden, South Carolina
- Presently serving as: Senior Vice President
Commercial & Residential Lending Divisions
Appraisal Review and Asset Valuation
First Palmetto Savings Bank, FSB
Camden, South Carolina

Palmetto Valuation & Appraisal, LLC
1105 Broad Street
Camden, South Carolina 29020

South Carolina Certified General Appraiser
#CG5782

FPSB_002073

**QUALIFICATIONS OF THE APPRAISER
SARAH J. HAMMOND**

EDUCATION/LICENSING

- Graduated from Camden High School, June 1998
- Graduated from Clemson University, August 2005
B.A. in Political Science, Minor in Business Administration
- Licensed Insurance Bank Products Specialist, State Farm Insurance
August 2004
- Licensed Insurance Agent by the State of South Carolina,
Property & Casualty, August 2005
- Licensed Apprentice Appraiser # AA6314 by the State of South Carolina,
December 2007
- Notary Public, State of South Carolina

Appraisal Courses/Seminars:

L1 – Introduction to Real Estate Appraisal / September 2007
L2 – Valuation Procedures / September 2007
L3 – 15 Hour National USPAP Course / September 2007
CR – Applied Residential Property Valuation Case Study / September 2007

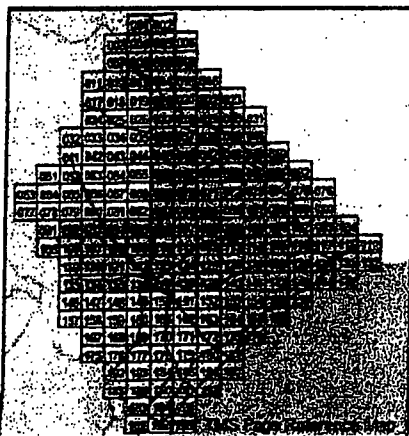
McKissock CE – 7 hour Residential Report Writing / June 2008
McKissock CE – Mortgage Fraud: Protect Yourself / June 2008

EMPLOYMENT HISTORY

- January – August 2003: Public Relations Assistant
The United Way of Kershaw County, SC
- August 2003 – August 2004: Legal Assistant
The Law Office of M. Scott Rankin, Camden, SC

- **August 2004 – August 2005: Bank Products Specialist
Maggie Waldrep State Farm Agency, Anderson, SC**
- **August 2005 – September 2008: Property & Casualty Insurance Agent
Larry DiBiase State Farm Agency, Camden, SC**
- **September 2008 - Present: Licensed Apprentice Appraiser SC # AA 6314
Palmetto Valuation & Appraisal, LLC, Camden, SC**

ADDENDA



- US Highways
- State Highways
- County Roads
- On Market (Existing)
- On Market (New)
- On Market (Changed)
- Comps (2008)
- Comps (2007)
- Comps (2006)
- Comps (2005)
- Comps (2004)
- Comps (2003)

SiteTech
Systems



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guarantee, express or implied, made as to its accuracy.
Please refer to our data source information and disclaimer
at <http://www.sitetechnologies.com>
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PLEASE SEE ATTACHED DATA SHEET

1	
Foreclosure Details	
TMS	181-10-10-004
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$67,700 00
Original Mortgage	\$0 00
Amount Due	\$612,612 70

2	
Foreclosure Details	
TMS	181-10-10-002
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$149,830 00
Original Mortgage	\$0 00
Amount Due	\$612,612 70

3	
Foreclosure Details	
TMS	181-10-10-016
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$108,860 00
Original Mortgage	\$0 00
Amount Due	\$612,612 70

4	
Foreclosure Details	
TMS	181-10-10-001
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$140,160 00
Original Mortgage	\$0 00
Amount Due	\$612,612 70

5	
STS Property Information	
TMS	181-10-07-011
Zoning	TA-80
Owner	Americana Motel Of Myrtle Beach
Street Address	405 Flagg St
City	Myrtle Beach
State	SC
Zip Code	29577
Total Rooms	-
Bedrooms	-
Full Baths	-
Half Baths	-
GIS Acres	0.248
Co Land Value	\$78,800 00
Co Impr Value	\$23,800 00
Co Total Value	\$103,060 00
Last Date Sold	4/10/1999
Sold Acres	-
Sold Price	\$120,000

6	
Foreclosure Details	
TMS	181-10-10-003
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$1,578,880 00
Original Mortgage	\$0 00
Amount Due	\$612,612 70

7	
Foreclosure Details	
TMS	181-10-10-006
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$614,980 00
Original Mortgage	\$0 00
Amount Due	\$612,612 70

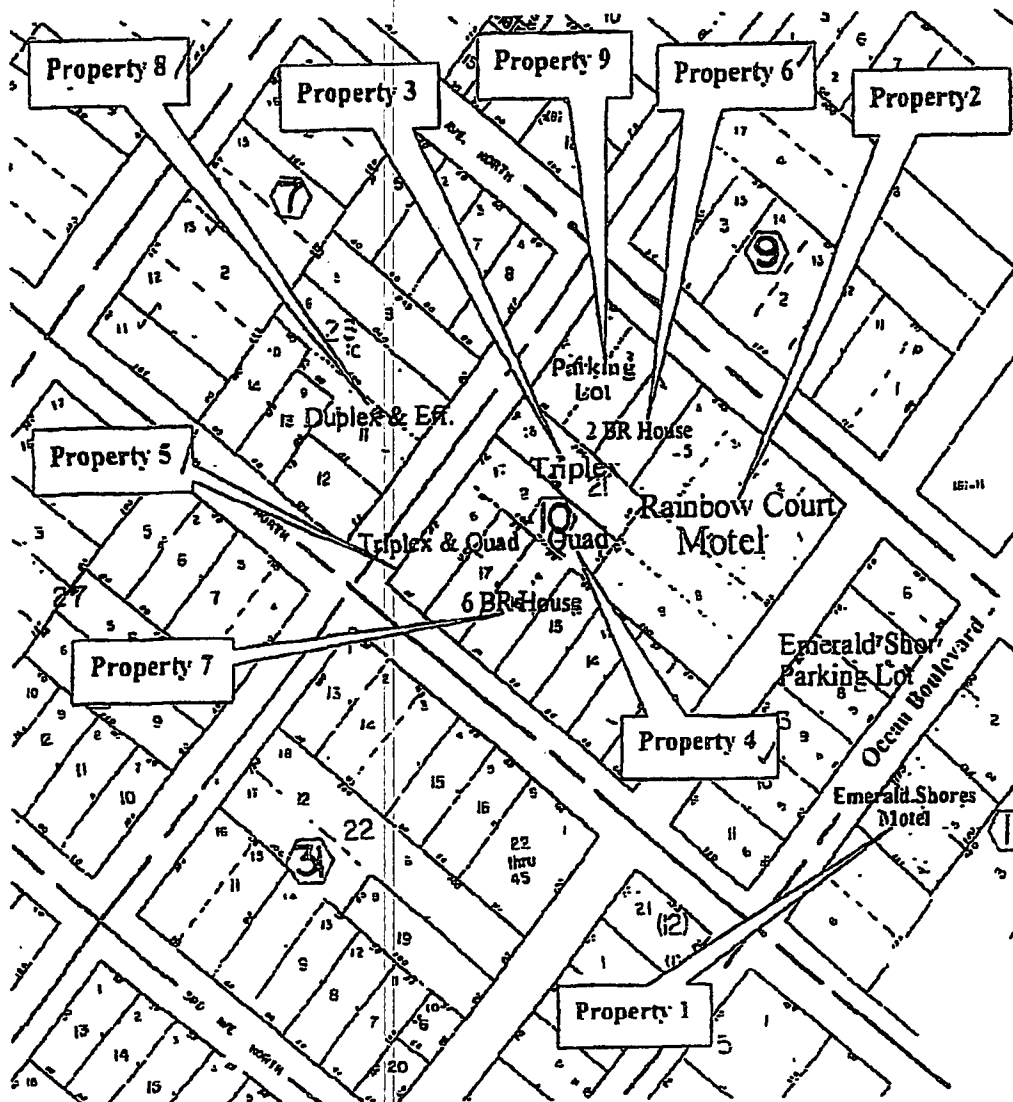
8	
Foreclosure Details	
TMS	181-10-10-007
Status	Filed
Case Number	2009-3186
Filed Date	3/27/2009
Sale Date	
Foreclosure Type	Mechanic Lien
Plaintiff	Mozingo & Wallace Architects L
Plaintiff's Attorney	Scott B Umstead
Attorney's Phone	(843) 913-4610
Defendant	BJC Enterprises, etal
Property Address	
City	
State	SC
Zip	
Deficiency	Demanded
Tax Assessment	\$254,680 00
Original Mortgage	\$0 00
Amount Due	\$612,612 70

SiteTech Systems
 This data herein is believed to be accurate, but we offer no guarantees, express or implied, made as to its accuracy. Please refer to our data source information and disclaimer at www.SiteTechSystems.com

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 Accompanying Map Data.
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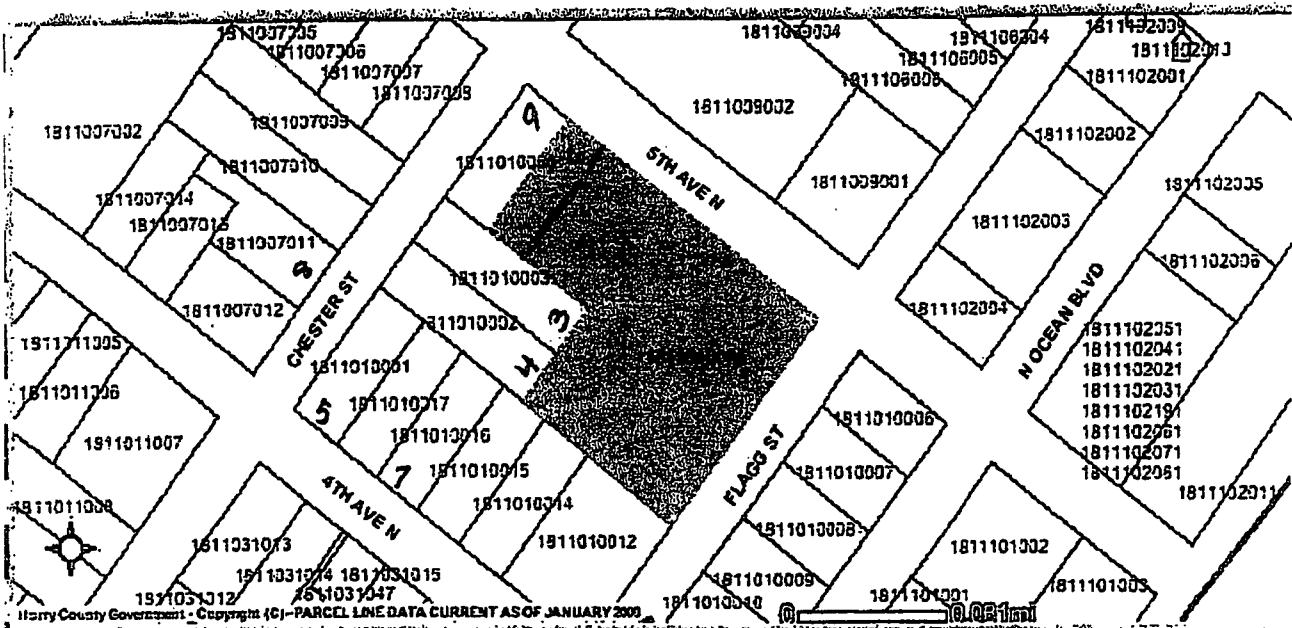
 
 Site Tech Systems proudly uses ESRI GIS Software

TAX MAP



The above exhibit is a combination of two tax maps.

FPSB_002079



PROPERTY	TYPE	ADDRESS	TMS #	TAX VALUE
3 Unit	Residential Multi Family	406 Chester St.	181-10-10-003	\$126,500.00
4 Unit	Residential Multi Family	404 Chester St.	181-10-10-002	\$149,830.00
4 Unit	Residential Multi Family	400 Chester St.	181-10-10-001	\$140,160.00
House	Single Family Residential	309 5 th Ave. N	181-10-10-005	\$178,000.00
Efficiency Apt	Single Family Residential	308 5 th Ave N	181-10-10-016	\$108,860.00
Duplex	Residential Multi Family	403 Chester St.	181-10-07-011	\$103,060.00
Corner Lots	Vacant	Chester Street	181-10-10-005 (portion)	\$ 67,700.00

FPSB_002081

IDENTIFIED TO BE A TRUE AND CORRECT COPY
AS TAKEN FROM AND COMPARED WITH THE
ORIGINAL ON FILE IN THIS OFFICE

15 2009

STATE OF SOUTH CAROLINA
SECRETARY OF STATE

ARTICLES OF ORGANIZATION
LIMITED LIABILITY COMPANY

SECRETARY OF STATE OF SOUTH CAROLINA

TYPE OR PRINT CLEARLY IN BLACK INK

The undersigned delivers the following articles of organization to form a South Carolina limited liability company pursuant to Sections 33-44-202 and 33-44-203 of the 1976 South Carolina Code of Laws, as amended.

1. The name of the limited liability company which complies with Section 33-44-105 of the South Carolina Code of 1976, as amended is HOTEL & MOTEL HOLDINGS, LLC

2. The address of the initial designated office of the Limited Liability Company in South Carolina is
3370 Mt. Pisgah Cemetery Road

Conway, South Carolina 29526
City

3. The initial agent for service of process of the Limited Liability Company is
Donald D. Godwin
Name

[Signature]
Signature

and the street address in South Carolina for this initial agent for service of process is
3370 Mt. Pisgah Cemetery Road

Conway,
City
South Carolina 29526
Zip Code

4. The name and address of each organizer is

(a) Donald D. Godwin
Name

3370 Mt. Pisgah Cemetery Road,
Street Address
Conway
City

South Carolina 29526
State

(b) Zip Code

Name

Street Address

City

State

Zip Code

(Add additional lines if necessary)

6. ☐ Check this box only if the company is to be a term company. If so, provide the term specified:

080615-0205

HOTEL & MOTEL HOLDINGS, LLC

FILED: 06/15/2009

Filing Fee: \$110.00 ORIG

South Carolina Secretary of State

Plaintiff 000134

Mark Hammond

Lester & Lester P.A.

Fax: 8434490298

1949

Jun 26 2009 01:46pm P003

HOTEL & MOTEL HOLDINGS, LLC
Name of Limited Liability Company

6. ☐ Check this box only if management of the limited liability company is vested in a manager or managers. If this company is to be managed by managers, specify the name and address of each initial manager:

(a) _____
Name

Street Address City

State Zip Code

(b) _____
Name

Street Address City

State Zip Code

(c) _____
Name

Street Address City

State Zip Code

(d) _____
Name

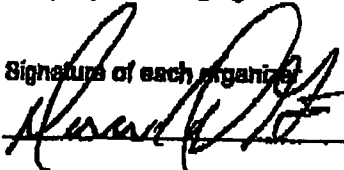
Street Address City

State Zip Code

(Add additional lines if necessary)

7. ☐ Check this box only if one or more of the members of the company are to be liable for its debts and obligations under section 33-44-303(c). If one or more members are so liable, specify which members, and for which debts, obligations or liabilities such members are liable in their capacity as members.

HOTEL & MOTEL HOLDINGS, LLC
Name of Limited Liability Company

8. Unless a delayed effective date is specified, these articles will be effective when endorsed for filing by the Secretary of State. Specify any delayed effective date and time:
9. Set forth any other provisions not inconsistent with law which the organizers determine to include, including any provisions that are required or are permitted to be set forth in the limited liability company operating agreement.
10. Signature of each organizer _____

 Date June 12, 2009
 (Add Additional lines if necessary)

FILING INSTRUCTIONS

1. File two copies of this form, the original and either a duplicate original or a conformed copy.
2. If space on this form is not sufficient, please attach additional sheets containing a reference to the appropriate paragraph in this form, or prepare this using a computer disk which will allow for expansion of the space on the form.
3. This form must be accompanied by the filing fee of \$110.00 payable to the Secretary of State.

Return to: Secretary of State
P.O. Box 11350
Columbia, SC 29211

NOTE

THE FILING OF THIS DOCUMENT DOES NOT, IN AND OF ITSELF, PROVIDE AN EXCLUSIVE RIGHT TO USE THE CORPORATE NAME OR IN CONNECTION WITH ANY PRODUCT OR SERVICE. USE OF A NAME AS A TRADEMARK OR SERVICE MARK WILL REQUIRE FURTHER CLEARANCE AND REGISTRATION AND BE AFFECTED BY PRIOR USE OF THE MARK. FOR MORE INFORMATION, CONTACT THE TRADEMARK DIVISION OF THE SECRETARY OF STATE'S OFFICE AT (803) 734-1728.

Form Revised by South Carolina
Secretary of State, January 2000

The State of South Carolina



Office of Secretary of State Mark Hammond

Certificate of Existence

I, Mark Hammond, Secretary of State of South Carolina Hereby certify that:

HOTEL & MOTEL HOLDINGS, LLC, A Limited Liability Company duly organized under the laws of the State of South Carolina on June 15th, 2009, with a duration that is at will, has as of this date filed all reports due this office, paid all fees, taxes and penalties owed to the Secretary of State, that the Secretary of State has not mailed notice to the company that it is subject to being dissolved by administrative action pursuant to section 33-44-809 of the South Carolina Code, and that the company has not filed articles of termination as of the date hereof.

**Given under my Hand and the Great
Seal of the State of South Carolina this
15th day of June, 2009.**

Mark Hammond
Mark Hammond, Secretary of State

2

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF THE FEDERAL ARBITRATION ACT IS INAPPLICABLE, THE UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976 AS AMENDED.

LOAN SALE AGREEMENT

DRAFT

THIS LOAN SALE AGREEMENT ("*Agreement*"), entered into this ____ day of June, 2009 by and between FIRST PALMETTO SAVINGS BANK, F.S.B. ("*Seller*"), and ____ ("*Buyer*"), sets forth the terms and conditions whereby the Seller agrees to sell and the Buyer agrees to purchase the Loan (as defined below) identified herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and the Buyer hereby agree as follows:

1. **Loan Documents to be Sold to Buyer.** Seller holds the loan documents listed in Attachment 1 (collectively, the "*Loan Documents*") in connection with that certain loan (the "*Loan*") in the original principal amount of \$5,573,146.62 from Seller to BJC Enterprises, LLC ("*BJC*"). As of the date hereof, the principal amount outstanding under the Loan is \$5,022,308.41. The promissory note referenced in Attachment 1 is referred to herein as the "*Note*." The mortgages referenced in Attachment 1 are collectively referred to herein as the "*Mortgage*" and the assignments of leases, rents and profits referenced in Attachment 1 are collectively referred to herein as the "*Assignment of Leases*". The real property subject to the Mortgage is hereinafter referred to as the "*Property*".

2. **Agreement to Purchase and Sell.** Subject to and in accordance with the terms and conditions of this Agreement, the Seller hereby agrees to sell, assign, transfer and convey to the Buyer at the Closing, and the Buyer hereby agrees to purchase and accept at the Closing, all rights, title, and interest of the Seller, as of the Closing Date, in, to and under the Loan and the Loan Documents.

3. **Closing.** The closing shall occur on the "*Closing Date*," which shall be on or before July 31, 2009.

3.1 **Payment of Purchase Price.** On the Closing Date, Buyer shall pay to Seller the sum of Five Million Dollars (\$5,000,000) (the "*Purchase Price*"), a portion of which shall be financed by Seller as provided herein. The Earnest Money shall be credited against the Purchase Price.

3.2 **Earnest Money.** Buyer agrees to pay to Seller with the execution of this Agreement the sum of one million dollars, (\$1,000,000.00) (the "*Earnest Money*"). One hundred thousand dollars (\$100,000.00) of the Earnest Money shall be non-refundable except upon a default by Seller under this Agreement. If Buyer fails to close under this Agreement, unless caused by the default of Seller, Seller shall be entitled to retain one hundred thousand dollars (\$100,000.00) of the Earnest Money as liquidated damages. Both parties agree that Seller's actual damages in the event of Buyer's default hereunder are difficult to determine, and that one hundred thousand dollars (\$100,000.00) of the Earnest Money constitutes a fair and reasonable agreement as to the amount of Seller's damages.

DEFENDANT'S
EXHIBIT

7-28-10
31
DAN

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3.3 **Conveyance.** Upon receipt of the Purchase Price, the Seller shall sell, assign, transfer and convey the Loan Documents to the Buyer subject to and in accordance with the provisions of this Agreement.

3.4 **Recording Fees.** The Buyer shall pay all transfer, filing and recording fees required to be paid in connection with the transactions contemplated hereby.

4. **Transfer of Loans.**

4.1 **Closing Documents.** At Closing, Seller shall execute and deliver to Buyer with respect to the Loan (i) a Bill of Sale in substantially the form attached hereto as Attachment 2, selling, assigning, transferring and conveying to the Buyer all rights, title and interests of the Seller in, to and under the Loan, all on the terms and conditions set forth in this Agreement; (ii) the original Note, or affidavits of lost Note, endorsed to the Buyer by allonge in substantially the form attached hereto as Attachment 3; (iii) assignments of the Mortgage and Assignment of Leases in substantially the form attached hereto as Attachment 4 and (iv) assignments of all other Loan Documents, consistent in form with the terms of this Agreement (collectively, the "**Closing Documents**"). The endorsements and assignments included in the Closing Documents shall be without recourse, representation or warranty of any kind or nature. Such qualifying language on the endorsements and assignments shall not affect, limit or enlarge the obligations of the Seller or the rights, remedies and recourse of the Buyer as specified in this Agreement.

4.2 **Hazard Insurance, Liability Insurance, Etc.** At the request and sole cost and expense of the Buyer, the Seller shall cooperate with the Buyer in executing written requests to each hazard, casualty, and liability insurer, and to the writing agent for each flood hazard insurer, issuing a policy of insurance obtained by an Obligor with respect to the Loan, requesting an endorsement of its policy of insurance effective on the Closing Date adding the Buyer as the mortgagee, the loss payee and/or an insured named therein, as the case may be, together with instructions that such endorsement be forwarded directly to the Buyer, with a copy to the Seller at the address herein specified for notices. Each such request shall be prepared by the Buyer at its sole cost and expense, and any additional premium or other charge in connection therewith shall be paid by the Buyer. The Buyer shall not be entitled to be added to or acquire an interest in any policy of insurance obtained by the Seller. The Seller shall remain an insured mortgagee, loss payee and/or additional insured in light of the financing provided to Buyer by Seller under Section 5.

5. **Seller's Loan to Buyer.**

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5.1 **Loan to Buyer.** Seller agrees to provide a loan to Buyer at Closing in the amount of Four Million Dollars (\$4,000,000) (the "**Buyer Loan**"). The Buyer Loan shall be evidenced by a promissory note from Buyer to Seller in form provided by Seller (the "**Buyer Note**"). The Buyer Note shall be secured by a collateral assignment from Buyer to Seller of the Loan Documents. Such collateral assignment shall be evidenced of record in the Horry County Register of Deeds' Office, with the Secretary of State Financing Statement Division and other applicable recording offices as deemed necessary by Seller. All documents evidencing, securing or guaranteeing the Buyer Loan shall be prepared by Seller's counsel, subject to review by Buyer's counsel, and shall be in form and content satisfactory to Seller.

5.2 **Terms of Buyer Note.** The Buyer Note shall be at a fixed interest rate of five percent (5%) per annum, increasing to eight percent (8%) per annum if the Buyer defaults on the Buyer Note. Buyer shall

make monthly interest payments for five years with a final payment of the entire outstanding balance on the Buyer Note due at maturity. The Buyer Note shall mature five (5) years from the Closing Date.

5.3 Pledged Account. Buyer shall pledge as additional security for the Buyer Loan not less than \$1,000,000 in deposit accounts (such accounts hereinafter collectively referred to as the "Account") with either Seller or another financial institution acceptable to Seller. Buyer will execute pledge documents in the form provided by Seller's counsel. In addition, if any Account is held with a financial institution other than Seller, Buyer must obtain signatures on such documents as Seller's counsel deems necessary to perfect Seller's security interest in such Account. Buyer shall be permitted to withdraw amounts from the Account to pay interest payments as they become due under the Note. Otherwise, Buyer will not be permitted to make withdrawals from the Account.

5.4 Loan Documentation and Requirements. Seller's obligation to make the Buyer Loan is conditional upon compliance with Seller's underwriting guidelines and closing documentation requirements. Such requirements include without limitation an opinion of Buyer's counsel in form and content satisfactory to Seller. Seller's obligation to make the Buyer Loan is also conditional on Buyer not suffering a material adverse change in financial condition.

6. Provisions Concerning Enforcement of Loan Documents and Realization of Collateral.

6.1 Foreclosure Counsel. Both parties acknowledge that Dubosc-Robinson, P.C. ("Foreclosure Counsel") has acted as Seller's counsel in connection with actions taken to date to foreclose on the Mortgage and otherwise enforce the Loan Documents. Seller shall be responsible for all attorneys' fees and expenses of Foreclosure Counsel through the date of Closing. After the Closing, the parties agree that Foreclosure Counsel will continue to represent Buyer with respect to the foreclosure of the Mortgage and enforcement of the Loan Documents (subject to Foreclosure Counsel determining that it can do so). Such representation shall be at the discretion of Buyer, and Buyer shall be entitled in its discretion to replace Foreclosure Counsel as counsel. Should Buyer continue to retain Foreclosure Counsel as counsel for such purposes, Buyer will be fully responsible for all legal fees and expenses of Foreclosure Counsel after the Closing Date. Buyer agrees that Foreclosure Counsel may continue to represent Seller with respect to matters unrelated to the Loan. In the event of a subsequent dispute between Seller and Buyer, Buyer agrees that, to the extent permitted under the Rules of Professional Conduct governing Foreclosure Counsel, Foreclosure Counsel may elect to withdraw from further representation of Buyer in enforcing the Loan Documents and to represent Seller in any such dispute.

6.2 Participation by Seller in Litigation; Pleadings. Seller shall be entitled, at its option, to continue to be represented in all litigation concerning enforcement of the Loan Documents in order to insure that its collateral interests in the Loan Documents are protected.

6.3 Minimum Bid at Foreclosure Sale. Buyer agrees that if it forecloses on the Mortgage, Buyer will not allow the Property to sell to a third party for less than the amount of the Buyer Note, and will itself bid not less than the amount of the Purchase Price at the foreclosure. Buyer agrees that Seller's collateral assignment interest in the Loan Documents shall at all times be evidenced in all foreclosure proceedings, such that its collateral interest is protected up to and through the date of sale. Any foreclosure order shall provide that in the event any party other than Buyer is the successful bidder at a foreclosure sale, the proceeds of sale, after payment of court fees, shall be applied first to repay the Buyer Note until it is paid in full.

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6.4 Provisions to Apply When Buyer is Successful Bidder at Foreclosure. In the event the Buyer is successful bidder at foreclosure on the Property, Buyer will immediately grant to Seller a first lien mortgage and security agreement, assignment of leases, rents and profits and UCC-1 financing statements on the Property securing the Buyer Note, in form and content satisfactory to Seller. Such documents shall be executed at the Closing and placed in escrow with Seller's counsel, with irrevocable instructions from Buyer that Seller's Counsel shall immediately record such first lien mortgage and security agreement, assignment of leases, rents and profits and UCC-1 financing statements upon Buyer receiving a foreclosure deed to the Property. Buyer shall also provide at its expense a title insurance policy insuring Seller's first mortgage, in form and content satisfactory to Seller.

6.5 Assignment of Litigation.

(1) **6.6.1** At Closing, by delivering to Buyer the conveyance of documents referenced in Section 4, Seller shall be deemed to have assigned to Buyer and Buyer shall be deemed to have agreed to assume, any currently pending litigation in Horry County to enforce the Loan Documents (the "*Assigned Litigation*").

6.6.2 It shall be Buyer's responsibility to (a) draft substitutions of parties in such a form and content consistent with the Rules of the court exercising jurisdiction over the matter ("*Substitutions of Parties*") to be filed with all appropriate courts and to be served on the opposing party(ies), (b) forward same to the attorneys presently handling any Assigned Litigation for signatures, (c) file such Substitution of Parties with all appropriate courts and serve same on the opposing party(ies) within ten (10) days after Closing and (d) contemporaneously with such filing and service, provide evidence of same to Seller.

6.6 Limitations on Settlement Rights. Any settlement by Buyer of any pending or further litigation to enforce the Loan Documents, including without limitation any proceedings in bankruptcy court, shall be subject to Seller's approval until the Buyer Note is paid in full.

7. Representations and Warranties of the Buyer. The Buyer hereby represents and warrants as follows:

7.1 Organization, Existence, Etc. The Buyer is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, and is registered or qualified to conduct business in all other jurisdictions in which the failure to be so registered or qualified would materially and adversely affect the ability of Buyer to perform its obligations hereunder.

7.2 Authority and Enforceability, Etc. The Buyer has the power and authority to execute, deliver and perform each of the sale documents and Buyer Loan documents referenced in this Agreement (collectively, the "*Transaction Documents*") to which it is a party and has taken all necessary action to authorize such execution, delivery and performance. The Buyer's execution of this Agreement and its performance of its obligations hereunder are not subject to any further approval, vote or contingency from any person or committee. Assuming due authorization, execution and delivery by the Seller, if applicable, the Transaction Documents and all obligations of the Buyer thereunder are the legal, valid and binding obligations of the Buyer, enforceable in accordance with the terms of the Transaction Documents, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.3 Conflict with Existing Laws or Contracts. The execution and delivery of the Transaction Documents and the performance by the Buyer of its obligations thereunder will not conflict with or be a breach of any provision of any law, regulation, judgment, order, decree, writ, injunction, contract, agreement or instrument to which the Buyer is subject; and the Buyer has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by the Buyer of the Transaction Documents.

7.4 Financial Condition. Neither the Buyer nor any manager, member, general partner, limited partner, shareholder or joint venturer in the Buyer is involved in any financial difficulties which would impair or prevent a closing pursuant to this Agreement on the Closing Date. The Buyer has now and will have as of the Closing Date sufficient liquid assets, capital and net worth to meet its obligations under the Transaction Documents and to pay the Purchase Price without any financing or other contingencies.

7.5 Decision to Purchase. Buyer (i) has sufficient information concerning the Loan and the Loan Documents in order to make an informed decision to enter into this Agreement and purchase the Loan Documents subject to the terms of this Agreement. (ii) is represented by experienced counsel of its choice in connection with this transaction and (iii) is not in a disparate bargaining position with respect to Seller. Buyer has been provided full and complete access to the Loan Documents by the Seller as well as the opportunity to obtain from Seller and the public record and other sources such information, copies of documentation and portions Buyer deemed appropriate. Buyer has consulted with its counsel and advisors regarding this Agreement, the Loan and the Loan Documents and thereafter made its own, independent evaluation of each and every aspect of this transaction Buyer deemed material, including without limitation, (a) the enforceability of the Loan Documents, (b) title to and value of mortgaged property and other collateral securing the Loan, (c) any assessment, report or analysis of the environmental status of any real and/or personal property, if any, (d) the existence and status of the Loan made pursuant to the Loan Documents, and (e) the value of the Loan and the Loan Documents. Buyer currently has funds sufficient to pay the Purchase Price, subject to Seller providing the Buyer Loan, and to complete Closing. Buyer represents, warrants and covenants that Buyer is an accredited investor (as that term is defined in Rule 501 promulgated under the Securities Act of 1933) who can bear the loss of its entire monetary investment, which includes the Purchase Price and the fees and costs which are in any way associated with the transactions contemplated by this Agreement.

7.6 No Reliance. In entering into this Agreement and the other Transaction Documents, the Buyer has not relied upon any oral or written information from the Seller or any of its employees, agents, attorneys or representatives, other than the limited representations and warranties of the Seller contained herein. The Buyer acknowledges that no employee, agent, attorney or representative of the Seller has been authorized to make, and that the Buyer has not relied upon, any statements, representations or warranties other than those specifically contained in this Agreement.

7.7 Brokers. No broker or other party entitled to a commission is involved in connection with this transaction as a result of the actions of Buyer.

7.8 Litigation. There are no actions, suits or proceedings pending against Buyer that, if concluded adversely to Buyer, would materially adversely affect the ability of Buyer to perform its obligations under this Agreement.

8. Covenants of Buyer.

8.1 Use of Seller's Name. Buyer shall not make any claim in the name of Seller, nor continue to prosecute or defend in the name of Seller any litigation in respect of the Loan Documents, or any legal or equitable action hereafter arising. Buyer shall not intentionally or unintentionally, through misrepresentation, nondisclosure or otherwise mislead any person or entity as to, or conceal from any person or entity, the identity of Buyer as holder of the Loan Documents. Buyer shall not use or refer to the name "First Palmetto Savings Bank, F.S.B." or any name derived therefrom or confusingly similar therewith to promote Buyer's marketing, advertising, sale or transfer of the Loan or the collection, operation or management thereof.

8.2 Release Upon Settlement of Claims. Buyer covenants that it shall not accept a release of liability from any borrower, guarantor or person or grant a release of liability to any borrower, guarantor or person in connection with or with respect to the Loan unless simultaneously such borrower, guarantor or person shall release and discharge Seller and its directors, officers, employees and agents from all claims which such borrower, guarantor or person could have against them with respect to the Loan prior to the date of such release, which such release of liability shall be in substantially the same form as that which Buyer shall have given to or (as applicable) accepted from such borrower, guarantor or person.

9. Seller's Representations, Warranties and Recourse; Disclaimer of Representations and Warranties Not Expressly Set Forth Herein. THIS SALE IS MADE WITHOUT RECOURSE AGAINST THE SELLER. EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES WHICH ARE EXPRESSLY SET FORTH BELOW, NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, HAVE BEEN MADE BY SELLER OR BY ANYONE ACTING ON ITS BEHALF. PARTICULARLY, AND WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE REGARDING (i) THE ACCURACY OR COMPLETENESS OF ANY INFORMATION OR ITS SOURCES OF INFORMATION (WHETHER CONTAINED IN ORIGINALS, DUPLICATE ORIGINALS, COPIES, OR MAGNETIC MEDIA, INCLUDING COMPUTER TAPES AND DISKS), INCLUDING WITHOUT LIMITATION ANY REPORTS OR OTHER INFORMATION PREPARED BY ACCOUNTANTS, ENGINEERS, APPRAISERS, ENVIRONMENTAL CONSULTANTS OR OTHER PROFESSIONALS, (ii) THE QUALITY OR COLLECTABILITY OF THE LOAN, (iii) THE CREDITWORTHINESS OF BJC OR ANY GUARANTOR OF THE LOAN, (iv) THE VALUE OF ANY COLLATERAL, (v) THE ENFORCEABILITY OF ANY LOAN DOCUMENT OR (vi) THE PRIORITY OF ANY LIEN. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT. ALL LOANS SOLD TO BUYER UNDER THIS AGREEMENT ARE SOLD AND TRANSFERRED WITHOUT RECOURSE OR WARRANTY EXPRESS OR IMPLIED

9.1 Representations and Warranties by the Seller. The Seller hereby represents and warrants as follows:

9.1.1 Organization, Existence, Etc. The Seller is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, and is registered or qualified to conduct business in all other jurisdictions in which the failure to be so registered or qualified would materially and adversely affect the ability of Seller to perform its obligations hereunder.

9.1.2 Authority, Enforceability, Etc. The Seller has taken all necessary action to authorize execution, delivery and performance of each of the Transaction Documents to which it is a party. Assuming due authorization, execution and delivery by the Buyer, the Transaction Documents and all the

obligations of the Seller thereunder are the legal, valid and binding obligations of the Seller enforceable in accordance with the terms of the Transaction Documents, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or a law).

9.1.3 Conflict with Existing Laws or Contracts. The execution and delivery of the Transaction Documents and the performance by the Seller of its obligations thereunder will not conflict with or be a breach of any material provision of any law, regulation, judgment, order, decree, writ, injunction, contract, agreement or instrument to which the Seller is subject; and the Seller has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by the Seller of the Transaction Documents.

9.1.4 Legal Action Against Seller. There is no action, suit or proceeding of which the Seller has received actual notice pending against Seller in any court or by or before any other governmental agency or instrumentality which would materially affect the ability of Seller to carry out the transactions contemplated by the Transaction Documents.

9.1.5 Brokers. No broker or other party entitled to a commission is involved in connection with this transaction as a result of the actions of Seller.

9.1.6 Title to Loan. The Seller has good title to and is the sole owner of the Loan, free and clear of any liens, claims, encumbrances or other charges whatsoever. The Loan is not subject to any prior assignment, conveyance, transfer or participation or agreement to assign, convey, transfer or participate, in whole or in part.

10. Conditions Precedent to Closing. The respective obligations of the Buyer and the Seller to complete the purchase and sale of the Loan pursuant to this Agreement are subject to the fulfillment on or prior to Closing Date of each of the following additional conditions to be fulfilled by the other, unless the same is specifically waived in writing by the party for whose benefit the same is to be fulfilled:

10.1 Performance of Covenants. The Seller and the Buyer shall have performed all of their respective covenants and agreements contained herein which are required to be performed by them on or prior to the Closing Date.

10.2 Representations and Warranties. All representations and warranties of the Buyer and Seller set forth in this Agreement shall be true in all material respects at and as of the Closing Date.

10.3 Governmental Approvals. All requisite federal, state and local governmental and regulatory approvals relating to the transactions contemplated hereby, if any, shall have been obtained.

11. Certain Obligations of the Buyer.

11.1 Collection Practices. The Buyer will not violate any laws relating to unfair credit collection practices in connection with the Loan. The Buyer hereby agrees to indemnify the Seller and to hold it harmless from and against any and all claims, demands, losses, damages, penalties, fines, forfeitures, judgments, legal fees and any other costs, fees, and expenses incurred by the Seller as a result of (1) a breach

by the Buyer of the aforesaid warranty or (2) any claim, demand, or assertion that, after the Closing Date, the Seller was in any way involved in or had in any way authorized any wrongful collection practices in connection with the Loan transferred to the Buyer pursuant to this Agreement. The Buyer agrees to notify the Seller within ten (10) Business Days of notice or knowledge of any such claim or demand.

11.2 Reporting to or for the Internal Revenue Service. The Buyer agrees to submit all Internal Revenue Service Forms and Information Returns for the Loan for the period during which it owns the Loan.

12. Notice to BJC and Guarantors. The Buyer shall, within five (5) Business Days after the Closing Date, give notice of this transfer to BJC and all guarantors of the Loan, with a copy to the notice to the Seller, by registered U.S. Mail, return receipt requested.

13. Notice of Claim. The Buyer shall immediately notify the Seller of any claim, threatened claim, or any litigation against the Seller, or any of their predecessors or affiliates, which may come to its attention relating to the Loan.

14. Notices. All notices or deliveries required or permitted hereunder shall be in writing and delivered personally or by generally recognized overnight delivery service, and shall be deemed given (a) when delivered, if delivered personally, or (b) on the following Business Day, if sent by generally recognized overnight delivery service, in each case to the Seller or Buyer at the following address, or such other address as either party may hereafter designate by notice given in compliance with this Section to the other party:

SELLER: First Palmetto Savings Bank, F.S.B.
Attention: Samuel R. Small, Jr., General Counsel
407 DeKalb Street
Camden, South Carolina 29020
Telephone Number: (803) 424-5019
Facsimile Number: (803) 424-5077
e-mail: ssmalljr@fpsb.com

With a copy to: M. Todd Haynie III
Haynsworth Sinkler Boyd, P.A.
1201 Main Street, Suite 2200
Columbia, South Carolina 29201
Telephone Number: (803) 779-3080
Facsimile Number: (803) 765-1243
e-mail: thaynie@hsblawfirm.com

BUYER: c/o Jack Jones
706 48th Avenue South
North Myrtle Beach, South Carolina 29582
Telephone Number: () _____
Facsimile Number: () _____

15. Severability. Each part of this Agreement is intended to be severable. If any term, covenant, condition or provision hereof is unlawful, invalid, or unenforceable for any reason whatsoever, and such illegality, invalidity, or unenforceability does not affect the remaining parts of this Agreement, then all such

remaining parts hereof shall be valid and enforceable and have full force and effect as if the invalid or unenforceable part had not been included.

16. **Construction and Interpretation.** Unless the context otherwise requires, singular nouns and pronouns (including defined terms), when used herein, shall be deemed to include the plural and vice versa, and impersonal pronouns shall be deemed to include the personal pronoun of the appropriate gender. The fact that one party or its representative may have drafted this Agreement shall not be taken into account by any court asked to interpret the terms of this Agreement, both parties having had the opportunity to have reviewed this Agreement and negotiate its terms. Further, both parties acknowledge that they have had an opportunity to have a counsel of their choosing represent them in this transaction and review this document.

17. **Assignment.** This Agreement and the terms, covenants, conditions, provisions, obligations, undertakings, rights and benefits hereof, including any attachments hereto, shall be binding upon, and shall inure to the benefit of, the undersigned parties and their respective heirs, executors, administrators, representatives, successors, and assigns. Notwithstanding anything herein to the contrary, however, Buyer shall not assign its rights under this Agreement without the prior written consent of the Seller.

18. **Prior Understandings.** This Agreement supersedes any and all prior discussions and agreements between the Seller and the Buyer with respect to the purchase of the Loan and other matters contained herein, and this Agreement contains the sole and entire understanding between the parties hereto with respect to the transactions contemplated herein.

19. **Survival.** Each and every covenant made by the Buyer or the Seller in this Agreement shall survive the closing and shall not merge into the closing documents, but instead shall be independently enforceable, provided, however, that the Seller's representations and warranties set forth herein shall expire twelve (12) months after the Closing Date, after which time no claim for breach of Seller's representations or warranties may be made.

20. **Choice of Law and Resolution of Disputes.** This Agreement and claims arising out of or in connection therewith shall be governed by and construed and enforced in accordance with the laws of the State of South Carolina. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, TO THE EXTENT ALLOWED BY LAW, THE PARTIES HERETO WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE BETWEEN SELLER AND BUYER ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO. THE FOREGOING NOTWITHSTANDING, SELLER MAY, AT ITS OPTION, DEMAND TO ARBITRATE ANY DISPUTE UNDER THE EXPEDITED PROCEDURES OF THE COMMERCIAL FINANCIAL DISPUTES ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (AAA) AND TITLE 9 OF THE UNITED STATES CODE, AND ALL PARTIES HERETO AGREE TO SUCH ARBITRATION. A SINGLE ARBITRATOR WILL BE

APPOINTED BY THE AAA AND WILL BE A RETIRED JUDGE OR ATTORNEY WITH EXPERIENCE OR KNOWLEDGE IN BANKING TRANSACTIONS. A JUDGMENT MAY BE ENTERED UPON THE AWARD BY ANY COURT OF COMPETENT JURISDICTION

21. Time of the Essence. Time is of the essence of all provisions of this Agreement.

Signature page to follow.

EXECUTED AS AN INSTRUMENT UNDER SEAL AS OF THE DATE WRITTEN ABOVE.

SELLER:

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____ (SEAL)

Name: _____

Title: _____

BUYER:

By: _____ (SEAL)

Name: _____

Title: _____

ATTACHMENT I

LOAN DOCUMENTS

1. Promissory Note from BJC to Seller dated January 17, 2008 in the original principal amount of \$5,573,146.62.
2. Guaranty Agreements
 - 1.1 Guaranty from Wendy J. Bellamy to Seller dated January 17, 2008.
 - 1.2 Guaranty from Harvey L. Jones to Seller dated January 17, 2008.
 - 1.3 Guaranty from Henry C. Coan III to Seller dated January 17, 2008.
3. Mortgages
 - 2.1 Real Estate Mortgage from BJC to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 3904 at page 8.
 - 2.2 Real Estate Mortgage from Wendy J. Bellamy to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 3904 at page 20.
 - 2.3 Real Estate Mortgage from Americana Motel of Myrtle Beach, Inc., a/k/a Americana, Inc. to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 3904 at page 28.
4. Assignments of Leases:
 - 2.1 Assignment of Leases and Rents from BJC to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 2849 at page 176.
 - 2.2 Assignment of Leases and Rents from Wendy J. Bellamy to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 2849 at page 185.
 - 2.3 Assignment of Leases and Rents from Americana Motel of Myrtle Beach, Inc., a/k/a Americana, Inc. to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 2849 at page 193.
5. Commercial Security Agreement from BJC to Seller dated January 14, 2008.
6. UCC-1 Financing Statements recorded in the ROD Office for Horry County in Book 3904 at page 17 and with the Office of the Secretary of State of South Carolina, assigned reference number 050124-0940410.
7. All other documents evidencing or securing the Loan

ATTACHMENT 2

BILL OF SALE

First Palmetto Savings Bank, F.S.B. (the "***Seller***"), for value received and pursuant to the terms and conditions of that certain Loan Sale Agreement dated _____, 2009 between the Seller and _____ (the "***Buyer***"), does hereby sell, assign, transfer and convey to Buyer, its heirs, administrators, representatives, successors and assigns, all rights, title and interests of the Seller, as of the date hereof, in, to and under the Loan described in the Loan Sale Agreement.

THIS BILL OF SALE IS EXECUTED WITHOUT RECOURSE AND WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESSED, IMPLIED, OR IMPOSED BY LAW EXCEPT AS PROVIDED IN THE LOAN SALE AGREEMENT.

EXECUTED this _____ day of _____, 2009.

SELLER:

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____

Name: _____

Title: _____

ATTACHMENT 3

ALLONGE

Reference is made to the \$5,573,146.62 promissory note from BJC Enterprises, LLC (the "*Note*") payable to the order of First Palmetto Savings Bank, F.S.B. ("*Assignor*"). It is intended that this Allonge be attached to and made a permanent part of the Note.

Pay to the order of _____ ("*Assignee*"). without recourse.
representations or warranties of any kind, express or implied.

Executed this _____ day of _____, 2009.

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____

Name: _____

Title: _____

ATTACHMENT 4

ASSIGNMENT OF MORTGAGE AND ASSIGNMENT OF LEASES

First Palmetto Savings Bank, F.S.B. ("**Assignor**"), having an address of 407 DeKalb Street, Camden, South Carolina 29020, the holder of the mortgages (together with any amendments, renewals, extensions, or modifications thereto, collectively the "**Mortgage**") and assignments of leases (together with any amendments, renewals, extensions, or modifications thereto, collectively the "**Assignment of Leases**"), each dated January 14, 2005, in favor of Assignor described on Exhibit A attached hereto, hereby assigns the Mortgage and the Assignment of Leases and any other related security instruments as described on Exhibit A attached hereto, and the notes and claims secured thereby, to _____ ("**Assignee**") with an address of _____. This assignment is made without recourse, representations or warranties of any kind, express or implied

Executed this ____ day of _____, 2009.

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____

Name: _____

Title: _____

STATE OF SOUTH CAROLINA)

)

COUNTY OF _____)

Personally appeared the above named _____, the _____ of First Palmetto Savings Bank, F.S.B., and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Assignor, before me.

Notary Public

My commission expires _____

1st draw

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF THE FEDERAL ARBITRATION ACT IS INAPPLICABLE, THE UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976 AS AMENDED.

LOAN SALE AGREEMENT

THIS LOAN SALE AGREEMENT ("**Agreement**"), entered into this _____ day of June, 2009 by and between FIRST PALMETTO SAVINGS BANK, F.S.B. ("**Seller**"), and HOTEL & MOTEL HOLDING, LLC, Jack H. Jones, sole member ("**Buyer**"), sets forth the terms and conditions whereby the Seller agrees to sell and the Buyer agrees to purchase the Loan (as defined below) identified herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and the Buyer hereby agree as follows:

1. **Loan Documents to be Sold to Buyer.** Seller holds the loan documents listed in Attachment 1 (collectively, the "**Loan Documents**") in connection with that certain loan (the "**Loan**") in the original principal amount of \$5,573,146.62 from Seller to BJC Enterprises, LLC ("**BJC**"). As of the date hereof, the principal amount outstanding under the Loan is \$5,022,308.41. The promissory note referenced in Attachment 1 is referred to herein as the "**Note**." The mortgages referenced in Attachment 1 are collectively referred to herein as the "**Mortgage**" and the assignments of leases, rents and profits referenced in Attachment 1 are collectively referred to herein as the "**Assignment of Leases**". The real property subject to the Mortgage is hereinafter referred to as the "**Property**".
2. **Agreement to Purchase and Sell.** Subject to and in accordance with the terms and conditions of this Agreement, the Seller hereby agrees to sell, assign, transfer and convey to the Buyer at the Closing, and the Buyer hereby agrees to purchase and accept at the Closing, all rights, title, and interest of the Seller, as of the Closing Date, in, to and under the Loan and the Loan Documents.
3. **Closing.** The closing shall occur on the "**Closing Date**," which shall be on or before June 30, 2009. Seller, in its sole option, may extend the Closing Date ten (10) days to July 10, 2009 upon notice to Buyer.

3.1 **Pledged Accounts.** Upon execution hereof, Buyer will pledge to Seller as Earnest Money (as defined below) and to be applied after Closing in accordance with the provisions hereof, no less than Two Million Dollars in certificates of deposit (each a "**CD**" and collectively the "**CDs**") held with other lenders (the "**Pledged Accounts**"). The Pledged Accounts will constitute security for the Earnest Money obligation arising hereunder and for the obligations of Buyer in connection with the Buyer Loan (as defined below). Immediately upon maturity, the CDs shall be paid in accordance with the provisions of this Agreement, with the first \$1,000,000 in funds from matured CDs being paid to Seller as a portion of the Purchase Price and the next \$1,000,000 in funds from matured CDs being deposited with Seller as the Security Account (as defined below). The holders of the Pledged Accounts will execute all documents necessary to perfect the security interest of Seller and consent to payment of funds from the CDs in accordance with the provisions of this Agreement. Other than for payments in accordance with the provisions of this Agreement, no withdrawals shall be permitted from the Pledged Accounts.

**DEFENDANT'S
EXHIBIT**

3.2 Payment of Purchase Price. As the purchase price, Buyer shall pay to Seller the sum of Five Million Dollars (\$5,000,000) (the "**Purchase Price**"), paid as follows: (i) One Million Dollars in funds from the CDs shall be immediately paid to Seller upon maturity of such CDs for application to the Purchase Price, and (ii) the remaining \$4,000,000 of the Purchase Price shall be financed by the Buyer Loan (as defined below).

3.3 Earnest Money. Buyer agrees that fifty thousand dollars (\$50,000.00) of the money held in the Pledged Accounts shall constitute earnest money (the "**Earnest Money**") hereunder. The Earnest Money shall be non-refundable except upon a default by Seller under this Agreement. If Buyer fails to close under this Agreement, unless caused by the default of Seller, Seller shall be entitled to demand payment from any holder of the Pledged Accounts of the fifty thousand dollars (\$50,000.00) of the Earnest Money as liquidated damages. Both parties agree that Seller's actual damages in the event of Buyer's default hereunder are difficult to determine, and that fifty thousand dollars (\$50,000.00) of the Earnest Money constitutes a fair and reasonable agreement as to the amount of Seller's damages. Each holder of a Pledged Account shall consent to pay the Earnest Money to Seller upon demand.

3.4 Conveyance. Upon receipt of the Purchase Price, the Seller shall sell, assign, transfer and convey the Loan Documents to the Buyer subject to and in accordance with the provisions of this Agreement.

3.5 Recording Fees. The Buyer shall pay all transfer, filing and recording fees required to be paid in connection with the transactions contemplated hereby.

4. Transfer of Loans.

4.1 Closing Documents. At Closing, Seller shall execute and deliver to Buyer with respect to the Loan (i) a Bill of Sale in substantially the form attached hereto as Attachment 2, selling, assigning, transferring and conveying to the Buyer all rights, title and interests of the Seller in, to and under the Loan, all on the terms and conditions set forth in this Agreement; (ii) the original Note, or affidavits of lost Note, endorsed to the Buyer by allonge in substantially the form attached hereto as Attachment 3; (iii) assignments of the Mortgage and Assignment of Leases in substantially the form attached hereto as Attachment 4 and (iv) assignments of all other Loan Documents, consistent in form with the terms of this Agreement (collectively, the "**Closing Documents**"). The endorsements and assignments included in the Closing Documents shall be without recourse, representation or warranty of any kind or nature. Such qualifying language on the endorsements and assignments shall not affect, limit or enlarge the obligations of the Seller or the rights, remedies and recourse of the Buyer as specified in this Agreement.

4.2 Hazard Insurance, Liability Insurance, Etc. At the request and sole cost and expense of the Buyer, the Seller shall cooperate with the Buyer in executing written requests to each hazard, casualty, and liability insurer, and to the writing agent for each flood hazard insurer, issuing a policy of insurance obtained by an Obligor with respect to the Loan, requesting an endorsement of its policy of insurance effective on the Closing Date adding the Buyer as the mortgagee, the loss payee and/or an insured named therein, as the case may be, together with instructions that such endorsement be forwarded directly to the Buyer, with a copy to the Seller at the address herein specified for notices. Each such request shall be prepared by the Buyer at its sole cost and expense, and any additional premium or other charge in connection therewith shall be paid by the Buyer. The Buyer shall not be entitled to be added to or acquire

an interest in any policy of insurance obtained by the Seller. The Seller shall remain an insured mortgagee, loss payee and/or additional insured in light of the financing provided to Buyer by Seller under Section 5.

5. Seller's Loan to Buyer.

5.1 Loan to Buyer. Seller agrees to provide a loan to Buyer at Closing in the amount of Four Million Dollars (\$4,000,000) (the "**Buyer Loan**"). The Buyer Loan shall be evidenced by a promissory note from Buyer to Seller in form provided by Seller (the "**Buyer Note**"). The Buyer Note shall be secured by a collateral assignment from Buyer to Seller of the Loan Documents. Such collateral assignment shall be evidenced of record in the Horry County Register of Deeds' Office, with the Secretary of State Financing Statement Division and other applicable recording offices as deemed necessary by Seller. All documents evidencing, securing or guaranteeing the Buyer Loan shall be prepared by Seller's counsel, subject to review by Buyer's counsel, and shall be in form and content satisfactory to Seller.

5.2 Terms of Buyer Note. The Buyer Note shall be at a fixed interest rate of five percent (5%) per annum, increasing to eight percent (8%) per annum if the Buyer defaults on the Buyer Note. Buyer shall make monthly interest payments for five years with a final payment of the entire outstanding balance due on the Buyer Note at maturity. The Buyer Note shall mature five (5) years from the Closing Date.

5.3 Security Account. At closing, Buyer will establish with Seller an account that Buyer shall pledge as additional security for the Buyer Loan (such account hereinafter referred to as the "**Security Account**"). Buyer will deposit into such Security Account the minimum amount required to establish it. Following payment of the \$1,000,000 portion of the Purchase Price from the CDs in accordance with the provisions of Section 3.1 above, the next \$1,000,000 in proceeds from matured CDs in the Pledged Accounts shall be transferred immediately upon maturity to Seller for deposit into the Security Account. Buyer will execute pledge documents in the form provided by Seller's counsel. Buyer shall only be permitted to withdraw amounts from the Security Account to pay interest payments as they become due under the Note. Otherwise, Buyer will not be permitted to make withdrawals from the Security Account.

5.4 Loan Documentation and Requirements. Seller's obligation to make the Buyer Loan is conditional upon compliance with Seller's underwriting guidelines and closing documentation requirements. Such requirements include without limitation an opinion of Buyer's counsel in form and content satisfactory to Seller. Seller's obligation to make the Buyer Loan is also conditional on Buyer not suffering a material adverse change in financial condition.

6. Provisions Concerning Enforcement of Loan Documents and Realization of Collateral.

6.1 Foreclosure Counsel. Both parties acknowledge that Dubose-Robinson, P.C. ("**Foreclosure Counsel**") has acted as Seller's counsel in connection with actions taken to date to foreclose on the Mortgage and otherwise enforce the Loan Documents. Seller shall be responsible for all attorneys' fees and expenses of Foreclosure Counsel through the date of Closing. After the Closing, the parties agree that Foreclosure Counsel will continue to represent Buyer with respect to the foreclosure of the Mortgage and enforcement of the Loan Documents (subject to Foreclosure Counsel determining that it can do so). Such representation shall be at the discretion of Buyer, and Buyer shall be entitled in its discretion to replace Foreclosure Counsel as counsel, with Buyer responsible for the cost of such counsel. Should Buyer continue to retain Foreclosure Counsel as counsel for such purposes, Seller will pay all legal fees and expenses of Foreclosure Counsel after the Closing Date. Buyer acknowledges and agrees that Foreclosure Counsel does and will continue to represent Seller with respect to matters unrelated to the Loan. Buyer

acknowledges that if representation of Buyer puts Foreclosure Counsel in a position adverse to Seller, Foreclosure Counsel may withdraw in its sole discretion. In the event of a subsequent dispute between Seller and Buyer, Buyer agrees that, to the extent permitted under the Rules of Professional Conduct governing Foreclosure Counsel, Foreclosure Counsel may elect to withdraw from further representation of Buyer in enforcing the Loan Documents and to represent Seller in any such dispute.

6.2 Participation by Seller in Litigation; Pleadings. Seller shall be entitled, at its option, to continue to be represented in all litigation concerning enforcement of the Loan Documents in order to insure that its collateral interests in the Loan Documents are protected.

6.3 Minimum Bid at Foreclosure Sale. Buyer agrees that if it forecloses on the Mortgage, Buyer will not allow the Property to sell to a third party for less than the amount of the Buyer Note, and will itself bid not less than the amount of the Purchase Price at the foreclosure. Buyer agrees that Seller's collateral assignment interest in the Loan Documents shall at all times be evidenced in all foreclosure proceedings, such that its collateral interest is protected up to and through the date of sale. Any foreclosure order shall provide that in the event any party other than Buyer is the successful bidder at a foreclosure sale, the proceeds of sale, after payment of court fees, shall be applied first to repay the Buyer Note until it is paid in full.

6.4 Provisions to Apply When Buyer is Successful Bidder at Foreclosure. In the event the Buyer is successful bidder at foreclosure on the Property, Buyer will immediately grant to Seller a first lien mortgage and security agreement, assignment of leases, rents and profits and UCC-1 financing statements on the Property securing the Buyer Note, in form and content satisfactory to Seller. Such documents shall be executed at the Closing and placed in escrow with Seller's counsel, with irrevocable instructions from Buyer that Seller's Counsel shall immediately record such first lien mortgage and security agreement, assignment of leases, rents and profits and UCC-1 financing statements upon Buyer receiving a foreclosure deed to the Property. Buyer shall also provide at its expense a title insurance policy insuring Seller's first mortgage, in form and content satisfactory to Seller.

6.5 Assignment of Litigation.

6.6.1 At Closing, by delivering to Buyer the conveyance of documents referenced in Section 4, Seller shall be deemed to have assigned to Buyer and Buyer shall be deemed to have agreed to assume, any currently pending litigation in Horry County to enforce the Loan Documents (the "*Assigned Litigation*").

6.6.2 It shall be Buyer's responsibility to (a) draft substitutions of parties in such a form and content consistent with the Rules of the court exercising jurisdiction over the matter ("*Substitutions of Parties*") to be filed with all appropriate courts and to be served on the opposing party(ies), (b) forward same to the attorneys presently handling any Assigned Litigation for signatures, (c) file such Substitution of Parties with all appropriate courts and serve same on the opposing party(ies) within ten (10) days after Closing and (d) contemporaneously with such filing and service, provide evidence of same to Seller.

6.6 Limitations on Settlement Rights. Any settlement by Buyer of any pending or further litigation to enforce the Loan Documents, including without limitation any proceedings in bankruptcy court, shall be subject to Seller's approval until the Buyer Note is paid in full.

7. **Representations and Warranties of the Buyer.** The Buyer hereby represents and warrants as follows:

7.1 **Organization, Existence, Etc.** The Buyer is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, and is registered or qualified to conduct business in all other jurisdictions in which the failure to be so registered or qualified would materially and adversely affect the ability of Buyer to perform its obligations hereunder.

7.2 **Authority and Enforceability, Etc.** The Buyer has the power and authority to execute, deliver and perform each of the sale documents and Buyer Loan documents referenced in this Agreement (collectively, the "*Transaction Documents*") to which it is a party and has taken all necessary action to authorize such execution, delivery and performance. The Buyer's execution of this Agreement and its performance of its obligations hereunder are not subject to any further approval, vote or contingency from any person or committee. Assuming due authorization, execution and delivery by the Seller, if applicable, the Transaction Documents and all obligations of the Buyer thereunder are the legal, valid and binding obligations of the Buyer, enforceable in accordance with the terms of the Transaction Documents, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.3 **Conflict with Existing Laws or Contracts.** The execution and delivery of the Transaction Documents and the performance by the Buyer of its obligations thereunder will not conflict with or be a breach of any provision of any law, regulation, judgment, order, decree, writ, injunction, contract, agreement or instrument to which the Buyer is subject; and the Buyer has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by the Buyer of the Transaction Documents.

7.4 **Financial Condition.** Neither the Buyer nor any manager, member, general partner, limited partner, shareholder or joint venturer in the Buyer is involved in any financial difficulties which would impair or prevent a closing pursuant to this Agreement on the Closing Date. The Buyer has now and will have as of the Closing Date sufficient liquid assets, capital and net worth to meet its obligations under the Transaction Documents and to pay the Purchase Price without any financing or other contingencies.

7.5 **Decision to Purchase.** Buyer (i) has sufficient information concerning the Loan and the Loan Documents in order to make an informed decision to enter into this Agreement and purchase the Loan Documents subject to the terms of this Agreement, (ii) is represented by experienced counsel of its choice in connection with this transaction and (iii) is not in a disparate bargaining position with respect to Seller. Buyer has been provided full and complete access to the Loan Documents by the Seller as well as the opportunity to obtain from Seller and the public record and other sources such information, copies of documentation and portions Buyer deemed appropriate. Buyer has consulted with its counsel and advisors regarding this Agreement, the Loan and the Loan Documents and thereafter made its own, independent evaluation of each and every aspect of this transaction Buyer deemed material, including without limitation, (a) the enforceability of the Loan Documents, (b) title to and value of mortgaged property and other collateral securing the Loan, (c) any assessment, report or analysis of the environmental status of any real and/or personal property, if any, (d) the existence and status of the Loan made pursuant to the Loan Documents, and (e) the value of the Loan and the Loan Documents. Buyer currently has funds sufficient to pay the Purchase Price, subject to Seller providing the Buyer Loan, and to complete Closing. Buyer represents, warrants and covenants that Buyer is an accredited investor (as that term is defined in Rule 501

promulgated under the Securities Act of 1933) who can bear the loss of its entire monetary investment, which includes the Purchase Price and the fees and costs which are in any way associated with the transactions contemplated by this Agreement.

7.6 No Reliance. In entering into this Agreement and the other Transaction Documents, the Buyer has not relied upon any oral or written information from the Seller or any of its employees, agents, attorneys or representatives, other than the limited representations and warranties of the Seller contained herein. The Buyer acknowledges that no employee, agent, attorney or representative of the Seller has been authorized to make, and that the Buyer has not relied upon, any statements, representations or warranties other than those specifically contained in this Agreement.

7.7 Brokers. No broker or other party entitled to a commission is involved in connection with this transaction as a result of the actions of Buyer.

7.8 Litigation. There are no actions, suits or proceedings pending against Buyer that, if concluded adversely to Buyer, would materially adversely affect the ability of Buyer to perform its obligations under this Agreement.

8. Covenants of Buyer.

8.1 Use of Seller's Name. Buyer shall not make any claim in the name of Seller, nor continue to prosecute or defend in the name of Seller any litigation in respect of the Loan Documents, or any legal or equitable action hereafter arising. Buyer shall not intentionally or unintentionally, through misrepresentation, nondisclosure or otherwise mislead any person or entity as to, or conceal from any person or entity, the identity of Buyer as holder of the Loan Documents. Buyer shall not use or refer to the name "First Palmetto Savings Bank, F.S.B." or any name derived therefrom or confusingly similar therewith to promote Buyer's marketing, advertising, sale or transfer of the Loan or the collection, operation or management thereof.

8.2 Release Upon Settlement of Claims. Buyer covenants that it shall not accept a release of liability from any borrower, guarantor or person or grant a release of liability to any borrower, guarantor or person in connection with or with respect to the Loan unless simultaneously such borrower, guarantor or person shall release and discharge Seller and its directors, officers, employees and agents from all claims which such borrower, guarantor or person could have against them with respect to the Loan prior to the date of such release, which such release of liability shall be in substantially the same form as that which Buyer shall have given to or (as applicable) accepted from such borrower, guarantor or person.

9. Seller's Representations, Warranties and Recourse; Disclaimer of Representations and Warranties Not Expressly Set Forth Herein. THIS SALE IS MADE WITHOUT RECOURSE AGAINST THE SELLER. EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES WHICH ARE EXPRESSLY SET FORTH BELOW, NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, HAVE BEEN MADE BY SELLER OR BY ANYONE ACTING ON ITS BEHALF. PARTICULARLY, AND WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE REGARDING (i) THE ACCURACY OR COMPLETENESS OF ANY INFORMATION OR ITS SOURCES OF INFORMATION (WHETHER CONTAINED IN ORIGINALS, DUPLICATE ORIGINALS, COPIES, OR MAGNETIC MEDIA, INCLUDING COMPUTER TAPES AND DISKS), INCLUDING WITHOUT LIMITATION ANY REPORTS OR OTHER INFORMATION PREPARED BY ACCOUNTANTS,

ENGINEERS, APPRAISERS, ENVIRONMENTAL CONSULTANTS OR OTHER PROFESSIONALS, (ii) THE QUALITY OR COLLECTABILITY OF THE LOAN, (iii) THE CREDITWORTHINESS OF BJC OR ANY GUARANTOR OF THE LOAN, (iv) THE VALUE OF ANY COLLATERAL, (v) THE ENFORCEABILITY OF ANY LOAN DOCUMENT OR (vi) THE PRIORITY OF ANY LIEN. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT. ALL LOANS SOLD TO BUYER UNDER THIS AGREEMENT ARE SOLD AND TRANSFERRED WITHOUT RECOURSE OR WARRANTY EXPRESS OR IMPLIED

9.1 Representations and Warranties by the Seller. The Seller hereby represents and warrants as follows:

9.1.1 Organization, Existence, Etc. The Seller is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, and is registered or qualified to conduct business in all other jurisdictions in which the failure to be so registered or qualified would materially and adversely affect the ability of Seller to perform its obligations hereunder.

9.1.2 Authority, Enforceability, Etc. The Seller has taken all necessary action to authorize execution, delivery and performance of each of the Transaction Documents to which it is a party. Assuming due authorization, execution and delivery by the Buyer, the Transaction Documents and all the obligations of the Seller thereunder are the legal, valid and binding obligations of the Seller enforceable in accordance with the terms of the Transaction Documents, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or a law).

9.1.3 Conflict with Existing Laws or Contracts. The execution and delivery of the Transaction Documents and the performance by the Seller of its obligations thereunder will not conflict with or be a breach of any material provision of any law, regulation, judgment, order, decree, writ, injunction, contract, agreement or instrument to which the Seller is subject; and the Seller has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by the Seller of the Transaction Documents.

9.1.4 Legal Action Against Seller. There is no action, suit or proceeding of which the Seller has received actual notice pending against Seller in any court or by or before any other governmental agency or instrumentality which would materially affect the ability of Seller to carry out the transactions contemplated by the Transaction Documents.

9.1.5 Brokers. No broker or other party entitled to a commission is involved in connection with this transaction as a result of the actions of Seller.

9.1.6 Title to Loan. The Seller has good title to and is the sole owner of the Loan, free and clear of any liens, claims, encumbrances or other charges whatsoever. The Loan is not subject to any prior assignment, conveyance, transfer or participation or agreement to assign, convey, transfer or participate, in whole or in part.

10. Conditions Precedent to Closing. The respective obligations of the Buyer and the Seller to complete the purchase and sale of the Loan pursuant to this Agreement are subject to the fulfillment on or

prior to Closing Date of each of the following additional conditions to be fulfilled by the other, unless the same is specifically waived in writing by the party for whose benefit the same is to be fulfilled:

10.1 Performance of Covenants. The Seller and the Buyer shall have performed all of their respective covenants and agreements contained herein which are required to be performed by them on or prior to the Closing Date.

10.2 Representations and Warranties. All representations and warranties of the Buyer and Seller set forth in this Agreement shall be true in all material respects at and as of the Closing Date.

10.3 Governmental Approvals. All requisite federal, state and local governmental and regulatory approvals relating to the transactions contemplated hereby, if any, shall have been obtained.

11. Certain Obligations of the Buyer.

11.1 Collection Practices. The Buyer will not violate any laws relating to unfair credit collection practices in connection with the Loan. The Buyer hereby agrees to indemnify the Seller and to hold it harmless from and against any and all claims, demands, losses, damages, penalties, fines, forfeitures, judgments, legal fees and any other costs, fees, and expenses incurred by the Seller as a result of (1) a breach by the Buyer of the aforesaid warranty or (2) any claim, demand, or assertion that, after the Closing Date, the Seller was in any way involved in or had in any way authorized any wrongful collection practices in connection with the Loan transferred to the Buyer pursuant to this Agreement. The Buyer agrees to notify the Seller within ten (10) Business Days of notice or knowledge of any such claim or demand.

11.2 Reporting to or for the Internal Revenue Service. The Buyer agrees to submit all Internal Revenue Service Forms and Information Returns for the Loan for the period during which it owns the Loan.

12. Notice to BJC and Guarantors. The Buyer shall, within five (5) Business Days after the Closing Date, give notice of this transfer to BJC and all guarantors of the Loan, with a copy to the notice to the Seller, by registered U.S. Mail, return receipt requested.

13. Notice of Claim. The Buyer shall immediately notify the Seller of any claim, threatened claim, or any litigation against the Seller, or any of their predecessors or affiliates, which may come to its attention relating to the Loan.

14. Notices. All notices or deliveries required or permitted hereunder shall be in writing and delivered personally or by generally recognized overnight delivery service, and shall be deemed given (a) when delivered, if delivered personally, or (b) on the following Business Day, if sent by generally recognized overnight delivery service, in each case to the Seller or Buyer at the following address, or such other address as either party may hereafter designate by notice given in compliance with this Section to the other party:

SELLER:

First Palmetto Savings Bank, F.S.B.
Attention: Samuel R. Small, Jr., General Counsel
407 DeKalb Street
Camden, South Carolina 29020
Telephone Number: (803) 424-5019

Facsimile Number: (803) 424-5077
e-mail: ssmalljr@fpsb.com

With a copy to:

M. Todd Haynie III
Haynsworth Sinkler Boyd, P.A.
1201 Main Street, Suite 2200
Columbia, South Carolina 29201
Telephone Number: (803) 779-3080
Facsimile Number: (803) 765-1243
e-mail: thaynie@hsblawfirm.com

BUYER:

Jack Jones, c/o Morgan Lewis, C.P.A.
706 48th Avenue South
North Myrtle Beach, South Carolina 29582
Telephone Number: (843) 497-4877
Mobile Number: (843) 340-3621

15. **Severability.** Each part of this Agreement is intended to be severable. If any term, covenant, condition or provision hereof is unlawful, invalid, or unenforceable for any reason whatsoever, and such illegality, invalidity, or unenforceability does not affect the remaining parts of this Agreement, then all such remaining parts hereof shall be valid and enforceable and have full force and effect as if the invalid or unenforceable part had not been included.

16. **Construction and Interpretation.** Unless the context otherwise requires, singular nouns and pronouns (including defined terms), when used herein, shall be deemed to include the plural and vice versa, and impersonal pronouns shall be deemed to include the personal pronoun of the appropriate gender. The fact that one party or its representative may have drafted this Agreement shall not be taken into account by any court asked to interpret the terms of this Agreement, both parties having had the opportunity to have reviewed this Agreement and negotiate its terms. Further, both parties acknowledge that they have had an opportunity to have a counsel of their choosing represent them in this transaction and review this document.

17. **Assignment.** This Agreement and the terms, covenants, conditions, provisions, obligations, undertakings, rights and benefits hereof, including any attachments hereto, shall be binding upon, and shall inure to the benefit of, the undersigned parties and their respective heirs, executors, administrators, representatives, successors, and assigns. Notwithstanding anything herein to the contrary, however, Buyer shall not assign its rights under this Agreement without the prior written consent of the Seller.

18. **Prior Understandings.** This Agreement supersedes any and all prior discussions and agreements between the Seller and the Buyer with respect to the purchase of the Loan and other matters contained herein, and this Agreement contains the sole and entire understanding between the parties hereto with respect to the transactions contemplated herein.

19. **Survival.** Each and every covenant made by the Buyer or the Seller in this Agreement shall survive the closing and shall not merge into the closing documents, but instead shall be independently enforceable, provided, however, that the Seller's representations and warranties set forth herein shall expire twelve (12) months after the Closing Date, after which time no claim for breach of Seller's representations or warranties may be made.

20. **Choice of Law and Resolution of Disputes.** This Agreement and claims arising out of or in connection therewith shall be governed by and construed and enforced in accordance with the laws of the State of South Carolina. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, TO THE EXTENT ALLOWED BY LAW, THE PARTIES HERETO WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE BETWEEN SELLER AND BUYER ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO. THE FOREGOING NOTWITHSTANDING, SELLER MAY, AT ITS OPTION, DEMAND TO ARBITRATE ANY DISPUTE UNDER THE EXPEDITED PROCEDURES OF THE COMMERCIAL FINANCIAL DISPUTES ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (AAA) AND TITLE 9 OF THE UNITED STATES CODE, AND ALL PARTIES HERETO AGREE TO SUCH ARBITRATION. A SINGLE ARBITRATOR WILL BE APPOINTED BY THE AAA AND WILL BE A RETIRED JUDGE OR ATTORNEY WITH EXPERIENCE OR KNOWLEDGE IN BANKING TRANSACTIONS. A JUDGMENT MAY BE ENTERED UPON THE AWARD BY ANY COURT OF COMPETENT JURISDICTION

21. **Time of the Essence.** Time is of the essence of all provisions of this Agreement.

Signature page to follow.

ATTACHMENT 1

LOAN DOCUMENTS

1. Promissory Note from BJC to Seller dated January 17, 2008 in the original principal amount of \$5,573,146.62.
2. Guaranty Agreements
 - 1.1 Guaranty from Wendy J. Bellamy to Seller dated January 17, 2008.
 - 1.2 Guaranty from Harvey L. Jones to Seller dated January 17, 2008.
 - 1.3 Guaranty from Henry C. Coan III to Seller dated January 17, 2008.
3. Mortgages
 - 2.1 Real Estate Mortgage from BJC to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 3904 at page 8.
 - 2.2 Real Estate Mortgage from Wendy J. Bellamy to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 3904 at page 20.
 - 2.3 Real Estate Mortgage from Americana Motel of Myrtle Beach, Inc., a/k/a Americana, Inc. to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 3904 at page 28.
4. Assignments of Leases:
 - 2.1 Assignment of Leases and Rents from BJC to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 2849 at page 176.
 - 2.2 Assignment of Leases and Rents from Wendy J. Bellamy to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 2849 at page 185.
 - 2.3 Assignment of Leases and Rents from Americana Motel of Myrtle Beach, Inc., a/k/a Americana, Inc. to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 2849 at page 193.
5. Commercial Security Agreement from BJC to Seller dated January 14, 2008.
6. UCC-1 Financing Statements recorded in the ROD Office for Horry County in Book 3904 at page 17 and with the Office of the Secretary of State of South Carolina, assigned reference number 050124-0940410.
7. All other documents evidencing or securing the Loan

ATTACHMENT 2

BILL OF SALE

First Palmetto Savings Bank, F.S.B. (the "***Seller***"), for value received and pursuant to the terms and conditions of that certain Loan Sale Agreement dated _____, 2009 between the Seller and _____ (the "***Buyer***"), does hereby sell, assign, transfer and convey to Buyer, its heirs, administrators, representatives, successors and assigns, all rights, title and interests of the Seller, as of the date hereof, in, to and under the Loan described in the Loan Sale Agreement.

THIS BILL OF SALE IS EXECUTED WITHOUT RECOURSE AND WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESSED, IMPLIED, OR IMPOSED BY LAW EXCEPT AS PROVIDED IN THE LOAN SALE AGREEMENT.

EXECUTED this _____ day of _____, 2009.

SELLER:

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____

Name: _____

Title: _____

ATTACHMENT 3

ALLONGE

Reference is made to the \$5,573,146.62 promissory note from BJC Enterprises, LLC (the "*Note*") payable to the order of First Palmetto Savings Bank, F.S.B. ("*Assignor*"). It is intended that this Allonge be attached to and made a permanent part of the Note.

Pay to the order of _____ ("*Assignee*"), without recourse, representations or warranties of any kind, express or implied.

Executed this _____ day of _____, 2009.

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____

Name: _____

Title: _____

ATTACHMENT 4

ASSIGNMENT OF MORTGAGE AND ASSIGNMENT OF LEASES

First Palmetto Savings Bank, F.S.B. ("**Assignor**"), having an address of 407 DeKalb Street, Camden, South Carolina 29020, the holder of the mortgages (together with any amendments, renewals, extensions, or modifications thereto, collectively the "**Mortgage**") and assignments of leases (together with any amendments, renewals, extensions, or modifications thereto, collectively the "**Assignment of Leases**"), each dated January 14, 2005, in favor of Assignor described on Exhibit A attached hereto, hereby assigns the Mortgage and the Assignment of Leases and any other related security instruments as described on Exhibit A attached hereto, and the notes and claims secured thereby, to _____ ("**Assignee**") with an address of _____. This assignment is made without recourse, representations or warranties of any kind, express or implied

Executed this ____ day of _____, 2009.

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____
Name: _____
Title: _____

STATE OF SOUTH CAROLINA)
)
COUNTY OF _____)

Personally appeared the above named _____, the _____ of First Palmetto Savings Bank, F.S.B., and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Assignor, before me.

Notary Public

My commission expires _____

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF THE FEDERAL ARBITRATION ACT IS INAPPLICABLE, THE UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976 AS AMENDED.

LOAN SALE AGREEMENT

THIS LOAN SALE AGREEMENT ("**Agreement**"), entered into this 24th day of June, 2009 by and between **FIRST PALMETTO SAVINGS BANK, F.S.B. ("Seller")**, and **HOTEL & MOTEL HOLDING, LLC, Jack H. Jones, sole member ("Buyer")**, sets forth the terms and conditions whereby the Seller agrees to sell and the Buyer agrees to purchase the Loan (as defined below) identified herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and the Buyer hereby agree as follows:

1. **Loan Documents to be Sold to Buyer.** Seller holds the loan documents listed in Attachment 1 (collectively, the "**Loan Documents**") in connection with that certain loan (the "**Loan**") in the original principal amount of \$5,573,146.62 from Seller to BJC Enterprises, LLC ("**BJC**"). As of the date hereof, the principal amount outstanding under the Loan is \$5,022,308.41. The promissory note referenced in Attachment 1 is referred to herein as the "**Note**." The mortgages referenced in Attachment 1 are collectively referred to herein as the "**Mortgage**" and the assignments of leases, rents and profits referenced in Attachment 1 are collectively referred to herein as the "**Assignment of Leases**". The real property subject to the Mortgage is hereinafter referred to as the "**Property**".
2. **Agreement to Purchase and Sell.** Subject to and in accordance with the terms and conditions of this Agreement, the Seller hereby agrees to sell, assign, transfer and convey to the Buyer at the Closing, and the Buyer hereby agrees to purchase and accept at the Closing, all rights, title, and interest of the Seller, as of the Closing Date, in, to and under the Loan and the Loan Documents.
3. **Closing.** The closing shall occur on the "**Closing Date**," which shall be on or before June 30, 2009. Seller, in its sole option, may extend the Closing Date ten (10) days to July 10, 2009 upon notice to Buyer.

3.1 **Pledged Accounts.** Upon execution hereof, Buyer will pledge to Seller as Earnest Money (as defined below) and to be applied after Closing in accordance with the provisions hereof, no less than Two Million Dollars in certificates of deposit (each a "**CD**" and collectively the "**CDs**") held with other lenders (the "**Pledged Accounts**"). The Pledged Accounts will constitute security for the Earnest Money obligation arising hereunder and for the obligations of Buyer in connection with the Buyer Loan (as defined below). Immediately upon maturity, the CDs shall be paid in accordance with the provisions of this Agreement, with the first \$1,000,000 in funds from matured CDs being paid to Seller as a portion of the Purchase Price and the next \$1,000,000 in funds from matured CDs being deposited with Seller as the Security Account (as defined below). The holders of the Pledged Accounts will execute all documents necessary to perfect the security interest of Seller and consent to payment of funds from the CDs in accordance with the provisions of this Agreement. Other than for payments in accordance with the provisions of this Agreement, no withdrawals shall be permitted from the Pledged Accounts.

DEFENDANT'S
EXHIBIT

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3.2 Payment of Purchase Price. As the purchase price, Buyer shall pay to Seller the sum of Five Million Dollars (\$5,000,000) (the "**Purchase Price**"), paid as follows: (i) One Million Dollars in funds from the CDs shall be immediately paid to Seller upon maturity of such CDs for application to the Purchase Price, and (ii) the remaining \$4,000,000 of the Purchase Price shall be financed by the Buyer Loan (as defined below).

3.3 Earnest Money. Buyer agrees that fifty thousand dollars (\$50,000.00) of the money held in the Pledged Accounts shall constitute earnest money (the "**Earnest Money**") hereunder. The Earnest Money shall be non-refundable except upon a default by Seller under this Agreement. If Buyer fails to close under this Agreement, unless caused by the default of Seller, Seller shall be entitled to demand payment from any holder of the Pledged Accounts of the fifty thousand dollars (\$50,000.00) of the Earnest Money as liquidated damages. Both parties agree that Seller's actual damages in the event of Buyer's default hereunder are difficult to determine, and that fifty thousand dollars (\$50,000.00) of the Earnest Money constitutes a fair and reasonable agreement as to the amount of Seller's damages. Each holder of a Pledged Account shall consent to pay the Earnest Money to Seller upon demand.

3.4 Conveyance. Upon receipt of the Purchase Price, the Seller shall sell, assign, transfer and convey the Loan Documents to the Buyer subject to and in accordance with the provisions of this Agreement.

3.5 Recording Fees. The Buyer shall pay all transfer, filing and recording fees required to be paid in connection with the transactions contemplated hereby.

4. Transfer of Loans.

4.1 Closing Documents. At Closing, Seller shall execute and deliver to Buyer with respect to the Loan (i) a Bill of Sale in substantially the form attached hereto as Attachment 2, selling, assigning, transferring and conveying to the Buyer all rights, title and interests of the Seller in, to and under the Loan, all on the terms and conditions set forth in this Agreement; (ii) the original Note, or affidavits of lost Note, endorsed to the Buyer by allonge in substantially the form attached hereto as Attachment 3; (iii) assignments of the Mortgage and Assignment of Leases in substantially the form attached hereto as Attachment 4 and (iv) assignments of all other Loan Documents, consistent in form with the terms of this Agreement (collectively, the "**Closing Documents**"). The endorsements and assignments included in the Closing Documents shall be without recourse, representation or warranty of any kind or nature. Such qualifying language on the endorsements and assignments shall not affect, limit or enlarge the obligations of the Seller or the rights, remedies and recourse of the Buyer as specified in this Agreement.

4.2 Hazard Insurance, Liability Insurance, Etc. At the request and sole cost and expense of the Buyer, the Seller shall cooperate with the Buyer in executing written requests to each hazard, casualty, and liability insurer, and to the writing agent for each flood hazard insurer, issuing a policy of insurance obtained by an Obligor with respect to the Loan, requesting an endorsement of its policy of insurance effective on the Closing Date adding the Buyer as the mortgagee, the loss payee and/or an insured named therein, as the case may be, together with instructions that such endorsement be forwarded directly to the Buyer, with a copy to the Seller at the address herein specified for notices. Each such request shall be prepared by the Buyer at its sole cost and expense, and any additional premium or other charge in connection therewith shall be paid by the Buyer. The Buyer shall not be entitled to be added to or acquire an interest in

any policy of insurance obtained by the Seller. The Seller shall remain an insured mortgagee, loss payee and/or additional insured in light of the financing provided to Buyer by Seller under Section 5.

5. Seller's Loan to Buyer.

5.1 Loan to Buyer. Seller agrees to provide a loan to Buyer at Closing in the amount of Four Million Dollars (\$4,000,000) (the "**Buyer Loan**"). The Buyer Loan shall be evidenced by a promissory note from Buyer to Seller in form provided by Seller (the "**Buyer Note**"). The Buyer Note shall be secured by a collateral assignment from Buyer to Seller of the Loan Documents. Such collateral assignment shall be evidenced of record in the Horry County Register of Deeds' Office, with the Secretary of State Financing Statement Division and other applicable recording offices as deemed necessary by Seller. All documents evidencing, securing or guaranteeing the Buyer Loan shall be prepared by Seller's counsel, subject to review by Buyer's counsel, and shall be in form and content satisfactory to Seller.

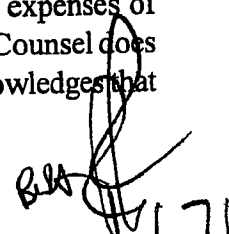
5.2 Terms of Buyer Note. The Buyer Note shall be at a fixed interest rate of five percent (5%) per annum, increasing to eight percent (8%) per annum if the Buyer defaults on the Buyer Note. Buyer shall make monthly interest payments for five years with a final payment of the entire outstanding balance due on the Buyer Note at maturity. The Buyer Note shall mature five (5) years from the Closing Date.

5.3 Security Account. At closing, Buyer will establish with Seller an account that Buyer shall pledge as additional security for the Buyer Loan (such account hereinafter referred to as the "**Security Account**"). Buyer will deposit into such Security Account the minimum amount required to establish it. Following payment of the \$1,000,000 portion of the Purchase Price from the CDs in accordance with the provisions of Section 3.1 above, the next \$1,000,000 in proceeds from matured CDs in the Pledged Accounts shall be transferred immediately upon maturity to Seller for deposit into the Security Account. Buyer will execute pledge documents in the form provided by Seller's counsel. Buyer shall only be permitted to withdraw amounts from the Security Account to pay interest payments as they become due under the Note. Otherwise, Buyer will not be permitted to make withdrawals from the Security Account.

5.4 Loan Documentation and Requirements. Seller's obligation to make the Buyer Loan is conditional upon compliance with Seller's underwriting guidelines and closing documentation requirements. Such requirements include without limitation an opinion of Buyer's counsel in form and content satisfactory to Seller. Seller's obligation to make the Buyer Loan is also conditional on Buyer not suffering a material adverse change in financial condition.

6. Provisions Concerning Enforcement of Loan Documents and Realization of Collateral.

6.1 Foreclosure Counsel. Both parties acknowledge that Dubose-Robinson, P.C. ("**Foreclosure Counsel**") has acted as Seller's counsel in connection with actions taken to date to foreclose on the Mortgage and otherwise enforce the Loan Documents. Seller shall be responsible for all attorneys' fees and expenses of Foreclosure Counsel through the date of Closing. After the Closing, the parties agree that Foreclosure Counsel will continue to represent Buyer with respect to the foreclosure of the Mortgage and enforcement of the Loan Documents (subject to Foreclosure Counsel determining that it can do so). Such representation shall be at the discretion of Buyer, and Buyer shall be entitled in its discretion to replace Foreclosure Counsel as counsel, with Buyer responsible for the cost of such counsel. Should Buyer continue to retain Foreclosure Counsel as counsel for such purposes, Seller will pay all legal fees and expenses of Foreclosure Counsel after the Closing Date. Buyer acknowledges and agrees that Foreclosure Counsel does and will continue to represent Seller with respect to matters unrelated to the Loan. Buyer acknowledges that

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if representation of Buyer puts Foreclosure Counsel in a position adverse to Seller, Foreclosure Counsel may withdraw in its sole discretion. In the event of a subsequent dispute between Seller and Buyer, Buyer agrees that, to the extent permitted under the Rules of Professional Conduct governing Foreclosure Counsel, Foreclosure Counsel may elect to withdraw from further representation of Buyer in enforcing the Loan Documents and to represent Seller in any such dispute. Buyer also acknowledges and agrees that it will execute that certain Agreement Concerning Representation on or before the Closing Date.

6.2 Participation by Seller in Litigation; Pleadings. Seller shall be entitled, at its option, to continue to be represented in all litigation concerning enforcement of the Loan Documents in order to insure that its collateral interests in the Loan Documents are protected.

6.3 Minimum Bid at Foreclosure Sale. Buyer agrees that if it forecloses on the Mortgage, Buyer will not allow the Property to sell to a third party for less than the amount of the Buyer Note, and will itself bid not less than the amount of the Purchase Price at the foreclosure. Buyer agrees that Seller's collateral assignment interest in the Loan Documents shall at all times be evidenced in all foreclosure proceedings, such that its collateral interest is protected up to and through the date of sale. Any foreclosure order shall provide that in the event any party other than Buyer is the successful bidder at a foreclosure sale, the proceeds of sale, after payment of court fees, shall be applied first to repay the Buyer Note until it is paid in full.

6.4 Provisions to Apply When Buyer is Successful Bidder at Foreclosure. In the event the Buyer is successful bidder at foreclosure on the Property, Buyer will immediately grant to Seller a first lien mortgage and security agreement, assignment of leases, rents and profits and UCC-1 financing statements on the Property securing the Buyer Note, in form and content satisfactory to Seller. Such documents shall be executed at the Closing and placed in escrow with Seller's counsel, with irrevocable instructions from Buyer that Seller's Counsel shall immediately record such first lien mortgage and security agreement, assignment of leases, rents and profits and UCC-1 financing statements upon Buyer receiving a foreclosure deed to the Property. Buyer shall also provide at its expense a title insurance policy insuring Seller's first mortgage, in form and content satisfactory to Seller.

6.5 Assignment of Litigation.

6.6.1 At Closing, by delivering to Buyer the conveyance of documents referenced in Section 4, Seller shall be deemed to have assigned to Buyer and Buyer shall be deemed to have agreed to assume, any currently pending litigation in Horry County to enforce the Loan Documents (the "*Assigned Litigation*").

6.6.2 It shall be Buyer's responsibility, through Foreclosure Counsel, to (a) draft substitutions of parties in such a form and content consistent with the Rules of the court exercising jurisdiction over the matter ("*Substitutions of Parties*") to be filed with all appropriate courts and to be served on the opposing party(ies), (b) forward same to the attorneys presently handling any Assigned Litigation for signatures, (c) file such Substitution of Parties with all appropriate courts and serve same on the opposing party(ies) within ten (10) days after Closing and (d) contemporaneously with such filing and service, provide evidence of same to Seller.

6.6 Limitations on Settlement Rights. Any settlement by Buyer of any pending or further litigation to enforce the Loan Documents, including without limitation any proceedings in bankruptcy court, shall be subject to Seller's approval until the Buyer Note is paid in full.

[Handwritten signature]

7. **Representations and Warranties of the Buyer.** The Buyer hereby represents and warrants as follows:

7.1 **Organization, Existence, Etc.** The Buyer is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, and is registered or qualified to conduct business in all other jurisdictions in which the failure to be so registered or qualified would materially and adversely affect the ability of Buyer to perform its obligations hereunder.

7.2 **Authority and Enforceability, Etc.** The Buyer has the power and authority to execute, deliver and perform each of the sale documents and Buyer Loan documents referenced in this Agreement (collectively, the "**Transaction Documents**") to which it is a party and has taken all necessary action to authorize such execution, delivery and performance. The Buyer's execution of this Agreement and its performance of its obligations hereunder are not subject to any further approval, vote or contingency from any person or committee. Assuming due authorization, execution and delivery by the Seller, if applicable, the Transaction Documents and all obligations of the Buyer thereunder are the legal, valid and binding obligations of the Buyer, enforceable in accordance with the terms of the Transaction Documents, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

7.3 **Conflict with Existing Laws or Contracts.** The execution and delivery of the Transaction Documents and the performance by the Buyer of its obligations thereunder will not conflict with or be a breach of any provision of any law, regulation, judgment, order, decree, writ, injunction, contract, agreement or instrument to which the Buyer is subject; and the Buyer has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by the Buyer of the Transaction Documents.

7.4 **Financial Condition.** Neither the Buyer nor any manager, member, general partner, limited partner, shareholder or joint venturer in the Buyer is involved in any financial difficulties which would impair or prevent a closing pursuant to this Agreement on the Closing Date. The Buyer has now and will have as of the Closing Date sufficient liquid assets, capital and net worth to meet its obligations under the Transaction Documents and to pay the Purchase Price without any financing or other contingencies.

7.5 **Decision to Purchase.** Buyer (i) has sufficient information concerning the Loan and the Loan Documents in order to make an informed decision to enter into this Agreement and purchase the Loan Documents subject to the terms of this Agreement, (ii) is represented by experienced counsel of its choice in connection with this transaction and (iii) is not in a disparate bargaining position with respect to Seller. Buyer has been provided full and complete access to the Loan Documents by the Seller as well as the opportunity to obtain from Seller and the public record and other sources such information, copies of documentation and portions Buyer deemed appropriate. Buyer has consulted with its counsel and advisors regarding this Agreement, the Loan and the Loan Documents and thereafter made its own, independent evaluation of each and every aspect of this transaction Buyer deemed material, including without limitation, (a) the enforceability of the Loan Documents, (b) title to and value of mortgaged property and other collateral securing the Loan, (c) any assessment, report or analysis of the environmental status of any real and/or personal property, if any, (d) the existence and status of the Loan made pursuant to the Loan Documents, and (e) the value of the Loan and the Loan Documents. Buyer currently has funds sufficient to pay the Purchase Price, subject to Seller providing the Buyer Loan, and to complete Closing. Buyer

BJA

represents, warrants and covenants that Buyer is an accredited investor (as that term is defined in Rule 501 promulgated under the Securities Act of 1933) who can bear the loss of its entire monetary investment, which includes the Purchase Price and the fees and costs which are in any way associated with the transactions contemplated by this Agreement.

7.6 No Reliance. In entering into this Agreement and the other Transaction Documents, the Buyer has not relied upon any oral or written information from the Seller or any of its employees, agents, attorneys or representatives, other than the limited representations and warranties of the Seller contained herein. The Buyer acknowledges that no employee, agent, attorney or representative of the Seller has been authorized to make, and that the Buyer has not relied upon, any statements, representations or warranties other than those specifically contained in this Agreement.

7.7 Brokers. No broker or other party entitled to a commission is involved in connection with this transaction as a result of the actions of Buyer.

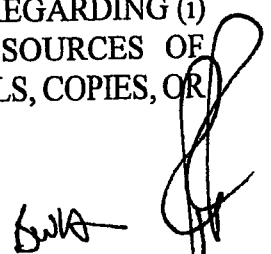
7.8 Litigation. There are no actions, suits or proceedings pending against Buyer that, if concluded adversely to Buyer, would materially adversely affect the ability of Buyer to perform its obligations under this Agreement.

8. Covenants of Buyer.

8.1 Use of Seller's Name. Buyer shall not make any claim in the name of Seller, nor continue to prosecute or defend in the name of Seller any litigation in respect of the Loan Documents, or any legal or equitable action hereafter arising. Buyer shall not intentionally or unintentionally, through misrepresentation, nondisclosure or otherwise mislead any person or entity as to, or conceal from any person or entity, the identity of Buyer as holder of the Loan Documents. Buyer shall not use or refer to the name "First Palmetto Savings Bank, F.S.B." or any name derived therefrom or confusingly similar therewith to promote Buyer's marketing, advertising, sale or transfer of the Loan or the collection, operation or management thereof.

8.2 Release Upon Settlement of Claims. Buyer covenants that it shall not accept a release of liability from any borrower, guarantor or person or grant a release of liability to any borrower, guarantor or person in connection with or with respect to the Loan unless simultaneously such borrower, guarantor or person shall release and discharge Seller and its directors, officers, employees and agents from all claims which such borrower, guarantor or person could have against them with respect to the Loan prior to the date of such release, which such release of liability shall be in substantially the same form as that which Buyer shall have given to or (as applicable) accepted from such borrower, guarantor or person.

9. Seller's Representations, Warranties and Recourse; Disclaimer of Representations and Warranties Not Expressly Set Forth Herein. THIS SALE IS MADE WITHOUT RECOURSE AGAINST THE SELLER. EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES WHICH ARE EXPRESSLY SET FORTH BELOW, NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, HAVE BEEN MADE BY SELLER OR BY ANYONE ACTING ON ITS BEHALF. PARTICULARLY, AND WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE REGARDING (i) THE ACCURACY OR COMPLETENESS OF ANY INFORMATION OR ITS SOURCES OF INFORMATION (WHETHER CONTAINED IN ORIGINALS, DUPLICATE ORIGINALS, COPIES, OR



MAGNETIC MEDIA, INCLUDING COMPUTER TAPES AND DISKS), INCLUDING WITHOUT LIMITATION ANY REPORTS OR OTHER INFORMATION PREPARED BY ACCOUNTANTS, ENGINEERS, APPRAISERS, ENVIRONMENTAL CONSULTANTS OR OTHER PROFESSIONALS, (ii) THE QUALITY OR COLLECTABILITY OF THE LOAN, (iii) THE CREDITWORTHINESS OF BJC OR ANY GUARANTOR OF THE LOAN, (iv) THE VALUE OF ANY COLLATERAL, (v) THE ENFORCEABILITY OF ANY LOAN DOCUMENT OR (vi) THE PRIORITY OF ANY LIEN. EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS AGREEMENT. ALL LOANS SOLD TO BUYER UNDER THIS AGREEMENT ARE SOLD AND TRANSFERRED WITHOUT RECOURSE OR WARRANTY EXPRESS OR IMPLIED

9.1 Representations and Warranties by the Seller. The Seller hereby represents and warrants as follows:

9.1.1 Organization, Existence, Etc. The Seller is duly formed or organized, validly existing and in good standing under the laws of the jurisdiction of its formation or organization, and is registered or qualified to conduct business in all other jurisdictions in which the failure to be so registered or qualified would materially and adversely affect the ability of Seller to perform its obligations hereunder.

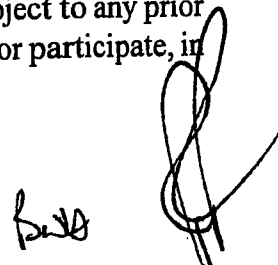
9.1.2 Authority, Enforceability, Etc. The Seller has taken all necessary action to authorize execution, delivery and performance of each of the Transaction Documents to which it is a party. Assuming due authorization, execution and delivery by the Buyer, the Transaction Documents and all the obligations of the Seller thereunder are the legal, valid and binding obligations of the Seller enforceable in accordance with the terms of the Transaction Documents, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or a law).

9.1.3 Conflict with Existing Laws or Contracts. The execution and delivery of the Transaction Documents and the performance by the Seller of its obligations thereunder will not conflict with or be a breach of any material provision of any law, regulation, judgment, order, decree, writ, injunction, contract, agreement or instrument to which the Seller is subject; and the Seller has obtained any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by the Seller of the Transaction Documents.

9.1.4 Legal Action Against Seller. There is no action, suit or proceeding of which the Seller has received actual notice pending against Seller in any court or by or before any other governmental agency or instrumentality which would materially affect the ability of Seller to carry out the transactions contemplated by the Transaction Documents.

9.1.5 Brokers. No broker or other party entitled to a commission is involved in connection with this transaction as a result of the actions of Seller.

9.1.6 Title to Loan. The Seller has good title to and is the sole owner of the Loan, free and clear of any liens, claims, encumbrances or other charges whatsoever. The Loan is not subject to any prior assignment, conveyance, transfer or participation or agreement to assign, convey, transfer or participate, in whole or in part.

Handwritten signature and initials, possibly "Bull" and a large stylized signature.

10. **Conditions Precedent to Closing.** The respective obligations of the Buyer and the Seller to complete the purchase and sale of the Loan pursuant to this Agreement are subject to the fulfillment on or prior to Closing Date of each of the following additional conditions to be fulfilled by the other, unless the same is specifically waived in writing by the party for whose benefit the same is to be fulfilled:

10.1 **Performance of Covenants.** The Seller and the Buyer shall have performed all of their respective covenants and agreements contained herein which are required to be performed by them on or prior to the Closing Date.

10.2 **Representations and Warranties.** All representations and warranties of the Buyer and Seller set forth in this Agreement shall be true in all material respects at and as of the Closing Date.

10.3 **Governmental Approvals.** All requisite federal, state and local governmental and regulatory approvals relating to the transactions contemplated hereby, if any, shall have been obtained.

11. **Certain Obligations of the Buyer.**

11.1 **Collection Practices.** The Buyer will not violate any laws relating to unfair credit collection practices in connection with the Loan. The Buyer hereby agrees to indemnify the Seller and to hold it harmless from and against any and all claims, demands, losses, damages, penalties, fines, forfeitures, judgments, legal fees and any other costs, fees, and expenses incurred by the Seller as a result of (1) a breach by the Buyer of the aforesaid warranty or (2) any claim, demand, or assertion that, after the Closing Date, the Seller was in any way involved in or had in any way authorized any wrongful collection practices in connection with the Loan transferred to the Buyer pursuant to this Agreement. The Buyer agrees to notify the Seller within ten (10) Business Days of notice or knowledge of any such claim or demand.

11.2 **Reporting to or for the Internal Revenue Service.** The Buyer agrees to submit all Internal Revenue Service Forms and Information Returns for the Loan for the period during which it owns the Loan.

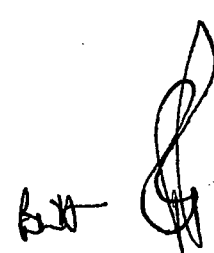
12. **Notice to BJC and Guarantors.** The Buyer shall, within five (5) Business Days after the Closing Date, give notice through Foreclosure Counsel of this transfer to BJC and all guarantors of the Loan, with a copy to the notice to the Seller, by registered U.S. Mail, return receipt requested.

13. **Notice of Claim.** The Buyer shall immediately notify the Seller of any claim, threatened claim, or any litigation against the Seller, or any of their predecessors or affiliates, which may come to its attention relating to the Loan.

14. **Notices.** All notices or deliveries required or permitted hereunder shall be in writing and delivered personally or by generally recognized overnight delivery service, and shall be deemed given (a) when delivered, if delivered personally, or (b) on the following Business Day, if sent by generally recognized overnight delivery service, in each case to the Seller or Buyer at the following address, or such other address as either party may hereafter designate by notice given in compliance with this Section to the other party:

SELLER:

First Palmetto Savings Bank, F.S.B.
Attention: Samuel R. Small, Jr., General Counsel
407 DeKalb Street

Handwritten signature and initials in the bottom right corner of the page.

Camden, South Carolina 29020
Telephone Number: (803) 424-5019
Facsimile Number: (803) 424-5077
e-mail: ssmalljr@fpsb.com

With a copy to:

M. Todd Haynie III
Haynsworth Sinkler Boyd, P.A.
1201 Main Street, Suite 2200
Columbia, South Carolina 29201
Telephone Number: (803) 779-3080
Facsimile Number: (803) 765-1243
e-mail: thaynie@hsblawfirm.com

BUYER:

Jack Jones, c/o Morgan Lewis, C.P.A.
706 48th Avenue South
North Myrtle Beach, South Carolina 29582
Telephone Number: (843) 497-4877
Mobile Number: (843) 340-3621

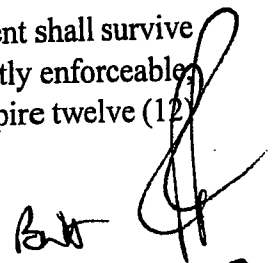
15. **Severability.** Each part of this Agreement is intended to be severable. If any term, covenant, condition or provision hereof is unlawful, invalid, or unenforceable for any reason whatsoever, and such illegality, invalidity, or unenforceability does not affect the remaining parts of this Agreement, then all such remaining parts hereof shall be valid and enforceable and have full force and effect as if the invalid or unenforceable part had not been included.

16. **Construction and Interpretation.** Unless the context otherwise requires, singular nouns and pronouns (including defined terms), when used herein, shall be deemed to include the plural and vice versa, and impersonal pronouns shall be deemed to include the personal pronoun of the appropriate gender. The fact that one party or its representative may have drafted this Agreement shall not be taken into account by any court asked to interpret the terms of this Agreement, both parties having had the opportunity to have reviewed this Agreement and negotiate its terms. Further, both parties acknowledge that they have had an opportunity to have a counsel of their choosing represent them in this transaction and review this document.

17. **Assignment.** This Agreement and the terms, covenants, conditions, provisions, obligations, undertakings, rights and benefits hereof, including any attachments hereto, shall be binding upon, and shall inure to the benefit of, the undersigned parties and their respective heirs, executors, administrators, representatives, successors, and assigns. Notwithstanding anything herein to the contrary, however, Buyer shall not assign its rights under this Agreement without the prior written consent of the Seller.

18. **Prior Understandings.** This Agreement supersedes any and all prior discussions and agreements between the Seller and the Buyer with respect to the purchase of the Loan and other matters contained herein, and this Agreement contains the sole and entire understanding between the parties hereto with respect to the transactions contemplated herein.

19. **Survival.** Each and every covenant made by the Buyer or the Seller in this Agreement shall survive the closing and shall not merge into the closing documents, but instead shall be independently enforceable, provided, however, that the Seller's representations and warranties set forth herein shall expire twelve (12)

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months after the Closing Date, after which time no claim for breach of Seller's representations or warranties may be made.

20. Choice of Law and Resolution of Disputes. This Agreement and claims arising out of or in connection therewith shall be governed by and construed and enforced in accordance with the laws of the State of South Carolina. BECAUSE DISPUTES ARISING IN CONNECTION WITH COMPLEX FINANCIAL TRANSACTIONS ARE MOST QUICKLY AND ECONOMICALLY RESOLVED BY AN EXPERIENCED AND EXPERT PERSON AND THE PARTIES WISH APPLICABLE STATE AND FEDERAL LAWS TO APPLY (RATHER THAN ARBITRATION RULES), THE PARTIES DESIRE THAT THEIR DISPUTES BE RESOLVED BY A JUDGE APPLYING SUCH APPLICABLE LAWS. THEREFORE, TO ACHIEVE THE BEST COMBINATION OF THE BENEFITS OF THE JUDICIAL SYSTEM AND OF ARBITRATION, TO THE EXTENT ALLOWED BY LAW, THE PARTIES HERETO WAIVE ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION, SUIT, OR PROCEEDING BROUGHT TO RESOLVE ANY DISPUTE, WHETHER ARISING IN CONTRACT, TORT, OR OTHERWISE BETWEEN SELLER AND BUYER ARISING OUT OF, CONNECTED WITH, RELATED OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR THE TRANSACTIONS RELATED THERETO. THE FOREGOING NOTWITHSTANDING, SELLER MAY, AT ITS OPTION, DEMAND TO ARBITRATE ANY DISPUTE UNDER THE EXPEDITED PROCEDURES OF THE COMMERCIAL FINANCIAL DISPUTES ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION (AAA) AND TITLE 9 OF THE UNITED STATES CODE, AND ALL PARTIES HERETO AGREE TO SUCH ARBITRATION. A SINGLE ARBITRATOR WILL BE APPOINTED BY THE AAA AND WILL BE A RETIRED JUDGE OR ATTORNEY WITH EXPERIENCE OR KNOWLEDGE IN BANKING TRANSACTIONS. A JUDGMENT MAY BE ENTERED UPON THE AWARD BY ANY COURT OF COMPETENT JURISDICTION

21. Time of the Essence. Time is of the essence of all provisions of this Agreement.

Signature page to follow.

Signature
11.12

EXECUTED AS AN INSTRUMENT UNDER SEAL AS OF THE DATE WRITTEN ABOVE.

SELLER:

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: B. W. H. (SEAL)

Name: BOENT W. HUTO

Title: VICE PRESIDENT

BUYER:

HOTEL & MOTEL HOLDING, LLC,
a South Carolina limited liability company

By: [Signature] Member (SEAL)

Name: Jack H. Jenkins

Title: Member

[Signature] 1.70

ATTACHMENT 1

LOAN DOCUMENTS

1. Promissory Note from BJC to Seller dated January 17, 2008 in the original principal amount of \$5,573,146.62.
2. Guaranty Agreements
 - 1.1 Guaranty from Wendy J. Bellamy to Seller dated January 17, 2008.
 - 1.2 Guaranty from Harvey L. Jones to Seller dated January 17, 2008.
 - 1.3 Guaranty from Henry C. Coan III to Seller dated January 17, 2008.
3. Mortgages
 - 2.1 Real Estate Mortgage from BJC to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 3904 at page 8.
 - 2.2 Real Estate Mortgage from Wendy J. Bellamy to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 3904 at page 20.
 - 2.3 Real Estate Mortgage from Americana Motel of Myrtle Beach, Inc., a/k/a Americana, Inc. to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 3904 at page 28.
4. Assignments of Leases:
 - 2.1 Assignment of Leases and Rents from BJC to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 2849 at page 176.
 - 2.2 Assignment of Leases and Rents from Wendy J. Bellamy to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 2849 at page 185.
 - 2.3 Assignment of Leases and Rents from Americana Motel of Myrtle Beach, Inc., a/k/a Americana, Inc. to Seller dated January 14, 2005 recorded in the ROD Office of Horry County in Book 2849 at page 193.
5. Commercial Security Agreement from BJC to Seller dated January 14, 2008.
6. UCC-1 Financing Statements recorded in the ROD Office for Horry County in Book 3904 at page 17 and with the Office of the Secretary of State of South Carolina, assigned reference number 050124-0940410.
7. All other documents evidencing or securing the Loan, including a Title Insurance Policy.

BD  1 27

ATTACHMENT 2

BILL OF SALE

First Palmetto Savings Bank, F.S.B. (the "**Seller**"), for value received and pursuant to the terms and conditions of that certain Loan Sale Agreement dated _____, 2009 between the Seller and _____ (the "**Buyer**"), does hereby sell, assign, transfer and convey to Buyer, its heirs, administrators, representatives, successors and assigns, all rights, title and interests of the Seller, as of the date hereof, in, to and under the Loan described in the Loan Sale Agreement.

THIS BILL OF SALE IS EXECUTED WITHOUT RECOURSE AND WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESSED, IMPLIED, OR IMPOSED BY LAW EXCEPT AS PROVIDED IN THE LOAN SALE AGREEMENT.

EXECUTED this _____ day of _____, 2009.

SELLER:

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____

Name: _____

Title: _____

B-18

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ATTACHMENT 3

ALLONGE

Reference is made to the \$5,573,146.62 promissory note from BJC Enterprises, LLC (the "*Note*") payable to the order of First Palmetto Savings Bank, F.S.B. ("*Assignor*"). It is intended that this Allonge be attached to and made a permanent part of the Note.

Pay to the order of _____ ("*Assignee*"), without recourse, representations or warranties of any kind, express or implied.

Executed this _____ day of _____, 2009.

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____

Name: _____

Title: _____

A large, stylized handwritten signature in black ink, located in the bottom right corner of the page. It appears to be a cursive signature, possibly of a bank representative.

ATTACHMENT 4

ASSIGNMENT OF MORTGAGE AND ASSIGNMENT OF LEASES

First Palmetto Savings Bank, F.S.B. ("**Assignor**"), having an address of 407 DeKalb Street, Camden, South Carolina 29020, the holder of the mortgages (together with any amendments, renewals, extensions, or modifications thereto, collectively the "**Mortgage**") and assignments of leases (together with any amendments, renewals, extensions, or modifications thereto, collectively the "**Assignment of Leases**"), each dated January 14, 2005, in favor of Assignor described on Exhibit A attached hereto, hereby assigns the Mortgage and the Assignment of Leases and any other related security instruments as described on Exhibit A attached hereto, and the notes and claims secured thereby, to _____ ("**Assignee**") with an address of _____. This assignment is made without recourse, representations or warranties of any kind, express or implied

Executed this ____ day of _____, 2009.

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: _____

Name: _____

Title: _____

STATE OF SOUTH CAROLINA)

COUNTY OF _____)

Personally appeared the above named _____, the _____ of First Palmetto Savings Bank, F.S.B., and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Assignor, before me.

Notary Public

My commission expires _____



THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF THE FEDERAL ARBITRATION ACT IS INAPPLICABLE, THE UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976 AS AMENDED.

**DEFENDANT'S
EXHIBIT**

ADDENDUM TO LOAN SALE AGREEMENT

**Loan Sale Agreement Dated June 24, 2009
By and Between Hotel & Motel Holding, LLC and
First Palmetto Savings Bank F.S.B.**

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7-28-10 Jdm

This Addendum to Loan Sale Agreement ("**Addendum**") entered into this 30th day of June, 2009 by and between **FIRST PALMETTO SAVINGS BANK, F.S.B. ("Seller")** and **HOTEL & MOTEL HOLDINGS, LLC, Jack H. Jones, sole member ("Buyer")**, sets forth the terms and conditions whereby the parties identified herein modify and incorporate the following changes to the Loan Sale Agreement ("**Agreement**") executed June 24, 2009 attached hereto and incorporated herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Seller and Buyer hereby agree to modify the Agreement as follows:

1. Any and all references in the Agreement to Hotel & Motel Holding, LLC as Buyer are hereby modified and substituted to Hotel & Motel Holdings, LLC as Buyer.
2. Paragraph 3.1 is deleted in its entirety and replaced as follows:

3.1 Pledged Accounts. On or before Closing, Buyer will pledge to Seller no less than One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) in certificates of deposit (each a "**CD**" and collectively the "**CDs**") held with other lenders (the "**Pledged Accounts**") to be applied after Closing in accordance with the provisions hereof. The Pledged Accounts will constitute security for the obligations of Buyer arising hereunder in connection with the Buyer Loan (as defined below). Immediately upon maturity, the CDs shall be paid in accordance with the provisions of this Agreement, with the first Seven Hundred Fifty Thousand Dollars (\$750,000) in funds from matured CDs being paid to Seller as a portion of the Purchase Price and to reduce the Buyer Loan (as defined below) and the next One Million Dollars (\$1,000,000) in funds from matured CDs being deposited with Seller as the Security Account (as defined below). On or before Closing, the holders of the Pledged Accounts will execute all documents necessary to perfect the security interest of Seller and consent to payment of funds from the CDs in accordance with the provisions of this Agreement. Other than for payments in accordance with the provisions of this Agreement, no withdrawals shall be permitted from the Pledged Accounts.

3. Paragraph 3.2 is deleted in its entirety and replaced as follows:

3.2 Payment of Purchase Price. As the purchase price, Buyer shall pay to Seller the sum of Five Million Dollars (\$5,000,000) (the "**Purchase Price**"), paid as follows: (i) Two Hundred Fifty Thousand Dollars (\$250,000) paid in cash at Closing (ii) the remaining Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000) of the Purchase Price shall be financed by the Buyer Loan (as defined below). The first Seven Hundred Fifty Thousand Dollars \$750,000 in funds from the CDs shall be immediately paid to Seller upon maturity of such CDs in October 2009 as application toward the Purchase Price and as principal reduction of the Buyer Loan.

4. Paragraph 3.3 is deleted in its entirety and replaced as follows:

3.3 Earnest Money. Paragraph 3.3 Earnest Money is omitted.

5. Paragraph 5.1 is deleted in its entirety and replaced as follows:

5.1 Loan to Buyer. Seller agrees to provide a loan to Buyer at Closing in the amount of Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000) (the "**Buyer Loan**"). The Buyer Loan shall be evidenced by a promissory note from Buyer to Seller in form provided by Seller (the "**Buyer Note**"). The Buyer Note shall be secured by a collateral assignment from Buyer to Seller of the Loan Documents. Such collateral assignment shall be evidenced of record in the Horry County Register of Deeds' Office, with the Secretary of State Financing Statement Division and other applicable recording offices as deemed necessary by Seller. All documents evidencing, securing or guaranteeing the Buyer Loan shall be prepared by Seller's counsel, subject to review by Buyer's counsel, and shall be in form and content satisfactory to Seller.

6. Paragraph 5.2 is deleted in its entirety and replaced as follows:

5.2 Terms of Buyer Note. The Buyer Note shall be at a fixed interest rate of five percent (5%) per annum, increasing to eight percent (8%) per annum if the Buyer defaults on the Buyer Note. Buyer shall make one interest payment on November 1, 2009 of all accrued and outstanding interest due and payable on that date followed by monthly interest payments due and payable on the first day of each month beginning December 1, 2009 and continuing until maturity of the Buyer Note. A final payment of the entire outstanding balance is due on the Buyer Note at maturity. The Buyer Note shall mature five (5) years from the Closing Date.

7. Paragraph 5.3 is deleted in its entirety and replaced as follows:

5.3 Security Account. At Closing, Buyer will establish with Seller an account that Buyer shall pledge as additional security for the Buyer Loan (such account hereinafter referred to as the "**Security Account**"). Buyer will deposit into such Security Account the minimum amount required to establish it. Following payment of the Seven Hundred Fifty Thousand Dollars

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(\$750,000) portion of the Purchase Price from the CDs in accordance with the provisions of Section 3.1 above, the next One Million Dollars (\$1,000,000) in proceeds from matured CDs in the Pledged Accounts shall be transferred immediately upon maturity in October 2009 to Seller for deposit into the Security Account. Buyer will execute pledge documents in the form provided by Seller's counsel. Buyer shall only be permitted to withdraw amounts from the Security Account to pay interest payments as they become due under the Note. Otherwise, Buyer will not be permitted to make withdrawals from the Security Account.

8. Paragraph 6.4 is deleted in its entirety and replaced as follows:

6.4 Provisions to Apply When Buyer is Successful Bidder at Foreclosure. In the event the Buyer is successful bidder at foreclosure on the Property, Buyer will immediately grant to Seller a first lien mortgage and security agreement, assignment of leases, rents and profits and UCC-1 financing statements on the Property securing the Buyer Note, in form and content satisfactory to Seller. Such documents shall be executed at the Closing and placed in escrow with Seller's counsel, with irrevocable instructions from Buyer that Seller's Counsel shall immediately record such first lien mortgage and security agreement, assignment of leases, rents and profits and UCC-1 financing statements upon Buyer receiving a foreclosure deed to the Property. Seller shall also provide at its expense a title insurance policy insuring Seller's first mortgage, in form and content satisfactory to Seller.

All other terms and conditions of the Agreement remain unchanged and in full force and effect.

Signature page to follow.

A handwritten signature in black ink, appearing to be "B. SA" followed by a stylized flourish.

EXECUTED AS AN INSTRUMENT UNDER SEAL AS OF THE DATE WRITTEN ABOVE.

SELLER:

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: B.W.H. (SEAL)

Name: BRENT W. HATO

Title: VICE PRESIDENT

BUYER:

HOTEL & MOTEL HODDINGS, LLC,
a South Carolina limited liability company

By: [Signature] (SEAL)

Name: Jack H. Hods

Title: member

[Signature] 1.18