

5

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
JAN 06 2014
SC Court of Appeals

Kathryn M. Cook, Bar No. 1371

~~James E. Lewis, Jr., Bar No. 77030~~

COOK & ROY, LLC

P.O. Box 4086

North Myrtle Beach, South Carolina 29597

Telephone: 843-663-1200

Attorney for Appellants

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

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Holdings, LLC, Jack Jones and Donald
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Columbia, SC 29201

[Redacted]

Attorney for Respondent First Palmetto
Savings Bank, FSB

Vill...
V...
P.O. Box 2102
Myrtle Beach, South Carolina 29577
Te...
Attorneys for Respondent Bhattendra Pat...

HOTEL & MOTEL HOLDINGS, LLC
3970 MT. PISGAH CEMETERY RD
CONWAY, SC 29526

FIRST PALMETTO SAVINGS BANK, LLC
407 DEKALB STREET
CAMDEN, SC 29020

Loan Number 75-086184-9
Date 06-30-2009
Maturity Date 06-30-2014
Loan Amount \$ 4,750,000.00
Renewal Of _____

BORROWER'S NAME AND ADDRESS
"I" includes each borrower above, jointly and severally.

LENDER'S NAME AND ADDRESS
"You" means the lender, its successors and assigns.

For value received, I promise to pay to you, or your order, at your address listed above the **PRINCIPAL** sum of **FOUR MILLION SEVEN HUNDRED FIFTY THOUSAND AND NO/100** Dollars \$ 4,750,000.00

Single Advance: I will receive all of this principal sum on 06-30-2009. No additional advances are contemplated under this note.
 Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of \$ _____ and future principal advances are contemplated.
Conditions: The conditions for future advances are _____

Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____
 Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).
INTEREST: I agree to pay interest on the outstanding principal balance from 06-30-2009 at the rate of 5.000% per year until 06-30-2014.

Variable Rate: This rate may then change as stated below.
 Index Rate: The future rate will be _____ the following index rate: _____
 No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.
 Frequency and Timing: The rate on this note may change as often as _____
A change in the interest rate will take effect _____
 Limitations: During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %.

Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:
 The amount of each scheduled payment will change. The amount of the final payment will change.

ACCURAL METHOD: Interest will be calculated on a ACTUAL/360 basis.
POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:
 on the same fixed or variable rate basis in effect before maturity (as indicated above).
 at a rate equal to _____

LATE CHARGE: If a payment is not made within 10 days after it is due, I agree to pay a late charge of 5.000% OF THE PAYMENT AMOUNT
 ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which are are not included in the principal amount above: _____

PAYMENTS: I agree to pay this note as follows:
56 MONTHLY INTEREST PAYMENTS RANGING FROM \$18472.22 TO \$81805.56 BEGINNING 11-01-2009 AND 1 PAYMENT OF \$4,769,131.94 ON 06-30-2014.

ADDITIONAL TERMS: 1. BORROWER TO PROVIDE A PRINCIPAL REDUCTION IN THE AMOUNT OF \$750,000.00 BY 10-15-09.
2. UPON BORROWER DEFAULT OF TERMS CONTAINED HEREIN, INTEREST RATE IS INCREASED FROM 5.00% PER ANNUM TO 8.00% PER ANNUM.

SECURITY: This note is separately secured by (describe separate document by type and date): COLLATERAL ASSIGNMENT DATED 6-30-09 AND PLEDGE AGREEMENT DATED 6-30-09 AND OTHER DOCUMENTS EXECUTED THEREWITH AND SECURITY ACCOUNT FFSB CD #41-480785-5
(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is PURCHASE OF FIRST PALMETTO LOAN #75-086184-9

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.
[Signature]
HOTEL & MOTEL HOLDINGS, LLC
JACK H. JONES, SOLE MEMBER

Signature for Lender

BRENT W HUTTO, VICE PRESIDENT

DEFINITIONS: As used on page 1, "B" means the terms that apply to this loan. "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorser, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW: The law of the state of South Carolina will govern this note. Any term of this note which is contrary to applicable law will not be effective, unless the law permits you and me to agree to such a variation. If any provision of this agreement cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this agreement. No modification of this agreement may be made without your express written consent. Time is of the essence in this agreement.

COMMISSIONS OR OTHER REMUNERATION: I understand and agree that any insurance premiums paid to insurance companies as part of this note will involve money retained by you or paid back to you as commissions or other remuneration.

In addition, I understand and agree that some other payments to third parties as part of this note may also involve money retained by you or paid back to you as commissions or other remuneration.

PAYMENTS: Each payment I make on this note will first reduce the amount I owe you for charges which are higher interest rate principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If you and I agree to a different application of payments, we will describe our agreement in this note. I may prepay a part of, or the entire balance of this loan without penalty, unless we specify to the contrary on this note. Any partial prepayment will not excuse or reduce any later scheduled payment until this note is paid in full (unless, when I make the prepayment, you and I agree in writing to the contrary).

INTEREST: Interest accrues on the principal remaining unpaid from time to time, until paid in full. If I receive the principal in more than one advance, each advance will start to earn interest only when I receive the advance. The interest rate in effect on this note at any given time will apply to the entire principal advanced at that time. Notwithstanding anything to the contrary, I do not agree to pay and you do not intend to charge any rate of interest that is higher than the maximum rate of interest you could charge under applicable law for the extension of credit that is agreed to here (either before or after maturity). If any notice of interest accrual is sent and is in error, we mutually agree to correct it, and if you actually collect more interest than allowed by law and this agreement, you agree to refund it to me.

INDEX RATE: The index will serve only as a device for setting the rate on this note. You do not guarantee by selecting this index, or the margin, that the rate on this note will be the same rate you charge on any other loans or class of loans to me or other borrowers.

ACCRUAL METHOD: The amount of interest that I will pay on this loan will be calculated using the interest rate and accrual method stated on page 1 of this note. For the purpose of interest calculation, the accrual method will determine the number of days in a "year." If no accrual method is stated, then you may use any reasonable accrual method for calculating interest.

POST MATURITY RATE: For purposes of deciding when the "Post Maturity Rate" (shown on page 1) applies, the term "maturity" means the date of the last scheduled payment indicated on page 1 of this note or the date you accelerate payment on the note, whichever is earlier.

SINGLE ADVANCE LOANS: If this is a single advance loan, you and I expect that you will make only one advance of principal. However, you may add other amounts to the principal if you make any payments described in the "PAYMENTS BY LENDER" paragraph below.

MULTIPLE ADVANCE LOANS: If this is a multiple advance loan, you and I expect that you will make more than one advance of principal. If this is closed end credit, repaying a part of the principal will not entitle me to additional credit.

PAYMENTS BY LENDER: If you are authorized to pay, on my behalf, charges I am obligated to pay (such as property insurance premiums), then you may treat those payments made by you as advances and add them to the unpaid principal under this note, or you may demand immediate payment of the charges.

SET-OFF: I agree that you may set off any amount due and payable under this note against any right I have to receive money from you.

"Right to receive money from you" means:

- (1) any deposit account balance I have with you;
- (2) any money owed to me on an item presented to you or in your possession for collection or exchange; and
- (3) any repurchase agreement or other nondeposit obligation.

"Any amount due and payable under this note" means the total amount of which you are entitled to demand payment under the terms of this note at the time you set off. This total includes any balance the due date for which you properly accelerate under this note.

If my right to receive money from you is also owned by someone who has not agreed to pay this note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement. Your right of set-off does not apply to an account or other obligation where my rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set off this debt against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

REAL ESTATE OR RESIDENCE SECURITY: If this note is secured by real estate or a residence that is personal property, the existence of a default

and your remedies for such a default will be determined by applicable law, by the terms of any separate instrument creating the security interest and, to the extent not prohibited by law and not contrary to the terms of the separate security instrument, by the "Default" and "Remedies" paragraphs herein.

DEFAULT: I will be in default if any one or more of the following occur: (1) I fail to make a payment on time or in the amount due; (2) I fail to keep the property insured, if required; (3) I fail to pay, or keep any promise, on any debt or agreement I have with you; (4) any other creditor of mine attempts to collect any debt I owe him through court proceedings; (5) I die, am declared incompetent, make an assignment for the benefit of creditors, or become insolvent (either because my liabilities exceed my assets or I am unable to pay my debts as they become due); (6) I make any written statement or provide any financial information that is untrue or incomplete at the time it was provided; (7) I do or fail to do something which, in your reasonable belief, you will have difficulty collecting on from me; (8) any collateral securing this note is used in a manner or for a purpose which threatens confiscation by a legal authority; (9) I change my name or assume an additional name without first notifying you before making such a change; (10) I fail to plant, cultivate and harvest crops in this season if I am a producer of crops; (11) any loan proceeds are used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 C.F.R. Part 1940; Subpart G, Exhibit M.

REMEDIES: If I am in default on this note you have, but are not limited to, the following remedies:

- (1) You may demand immediate payment of all I owe you under this note (principal, accrued unpaid interest and other accrued charges).
- (2) You may set off this debt against any right I have to the payment of money from you, subject to the terms of the "SET-OFF" paragraph herein.
- (3) You may demand security, additional security, or additional parties to be obligated to pay this note as a condition for not using any other remedy.
- (4) You may refuse to make advances to me or allow purchases on credit by me.
- (5) You may use any remedy you have under state or federal law.

By selecting any one or more of these remedies you do not give up your right to later use any other remedy. By waiving your right to declare an event to be a default, you do not waive your right to later consider the event as a default if it continues or happens again.

COLLECTION COSTS AND ATTORNEY'S FEES: I agree to pay all costs of collection, replan or any other or similar type of cost if I am in default. In addition, if you hire an attorney to collect this note, I also agree to pay any fee you incur with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, I also agree to pay the reasonable attorney's fees and costs you incur to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

WAIVER: I give up my rights to require you to do certain things. I will not require you to:

- (1) demand payment of amounts due (presentment);
- (2) obtain official certification of nonpayment (protest); or
- (3) give notice that amounts due have not been paid (notice of dishonor).

I waive any defenses I have based on suretyship or impairment of collateral.

OBLIGATIONS INDEPENDENT: I understand that I must pay this note even if someone else has also agreed to pay it (by, for example, signing this form or a separate guarantee or endorsement). You may sue me alone, or anyone else who is obligated on this note, or any number of us together, to collect this note. You may without notice release any party to this agreement without releasing any other party. If you give up any of your rights, with or without notice, it will not affect my duty to pay this note. Any extension of new credit to any of us, or renewal of this note by all or less than all of us will not release me from my duty to pay it. (Of course, you are entitled to only one payment in full.) I agree that you may at your option extend this note or the debt represented by this note, or any portion of the note or debt, from time to time without limit or notice and for any term without affecting my liability for payment of the note. I will not assign my obligation under this agreement without your prior written approval. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this loan.

FINANCIAL INFORMATION: I agree to provide you, upon request, any financial statement or information you may deem necessary. I warrant that the financial statements and information I provide to you are or will be accurate, correct and complete.

NOTICE: Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by first class mail addressed to me at my last known address. My current address is on page 1. I agree to inform you in writing of any change in my address. I will give any notice to you by mailing it first class to your address stated on page 1 of this agreement, or to any other address that you have designated.

WAIVER OF HEARING PRIOR TO IMMEDIATE POSSESSION: If this loan is for a business purpose I agree to waive the right to five days' notice and a pre-seizure hearing prior to seizure of any personal property which may secure this loan.

DATE OF TRANSACTION	PRINCIPAL ADVANCE	BORROWER'S INITIALS (not required)	PRINCIPAL PAYMENTS	PRINCIPAL BALANCE	INTEREST RATE	INTEREST PAYMENTS	INTEREST PAID THROUGH:
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	
	\$		\$	\$	%	\$	

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9-28-10 JHM

BORROWER'S SETTLEMENT STATEMENT

BORROWER: HOTEL & MOTEL HOLDINGS, LLC
LENDER: FIRST PALMETTO SAVINGS BANK
SETTLEMENT DATE: 6/30/2009
PROPERTY LOCATION: 14 PROPERTIES LOCATED IN MYRTLE BEACH, SC

DEBITS

PRINCIPAL PAYOFF OF FIRST PALMETTO # 75-084095-9 5,000,000.00

CREDITS

PRINCIPAL AMOUNT OF NEW LOANS 4,750,000.00
TOTAL DUE FROM BORROWER 250,000.00
5,000,000.00

BALANCE

BALANCE TO BORROWER 0.00

APPROVED BY BORROWER

HOTEL & MOTEL HOLDINGS, LLC


JACK H. JONES / SOLE MEMBER

COPY

DEFENDANT'S
EXHIBIT

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7-28-09 JHM

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 June __, 2009 between the Seller and Hotel & Motel Holdings, LLC, a South Carolina limited liability company (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, including the documents listed in Exhibit A attached hereto and made a part hereof.

~~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 30th day of June, 2009.

SELLER:

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: B. W. H.
Name: Brent W. Hutto
Title: Vice President

EXHIBIT A

The Loan, which is evidenced, secured or guaranteed by the following 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**
 - 2.1 Guaranty from Wendy J. Bellamy to Seller dated January 17, 2008.**
 - 2.2 Guaranty from Harvey L. Jones to Seller dated January 17, 2008.**
 - 2.3 Guaranty from Henry C. Coan III to Seller dated January 17, 2008.**
- 3. Mortgages**
 - 3.1 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.**
 - 3.2 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.**
 - 3.3 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:**
 - 4.1 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.**
 - 4.2 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.**
 - 4.3 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**

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ASSIGNMENT OF MORTGAGE

First Palmetto Savings Bank, F.S.B. ("Assignor"), having an address of 407 DeKalb Street, Camden, South Carolina 29020, the holder of the mortgage (together with any amendments, renewals, extensions, or modifications thereto, the "Mortgage") and the assignment of leases and rents (together with any amendments, renewals, extensions, or modifications thereto, the "Assignment of Leases"), each dated January 14, 2005, from BJC Enterprises, LLC in favor of Assignor, recorded with the Office of the Register of Deeds for Horry County, South Carolina in Book 3904 at Page 8 and Book 2849 at Page 176, respectively, hereby assigns the Mortgage and Assignment of Leases and any other related security instruments as described on Exhibit A attached hereto, and the notes and claims secured thereby, to Hotel & Motel Holdings, LLC, a South Carolina limited liability company ("Assignee") with an address of Jack Jones, c/o Morgan Lewis, C.P.A., 706 48th Avenue South, North Myrtle Beach, South Carolina 29582. This assignment is made without recourse, representations or warranties of any kind, express or implied

Executed effective June 30th, 2009.

Witnesses:
[Signature]
[Signature]

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: [Signature]
Name: Brent W. Hutto
Title: Vice President

STATE OF SOUTH CAROLINA)
)
COUNTY OF Horry)

Then personally appeared the above named Brent W. Hutto the vice president of First Palmetto Savings Bank, F.S.B. ("Assignor"), and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Assignor, before me.

[Signature]
Notary Public for the State of South Carolina
My Commission Expires 10.31.13

Instrument#: 2009000071189, MTG BK:
5183 PG: 3147 DOCTYPE: 008 06/30/2009
at 03:24:59 PM, 1 OF 2
BALLERY V. SKIPPER, HORRY COUNTY,
SC REGISTRAR OF DEEDS

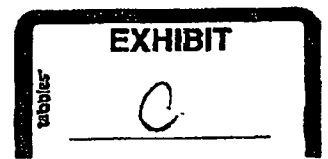


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7. All other documents evidencing or securing the Loan



REL/Marcia/Hotel&MotelHoldings, LLC
HORRY COUNTY REGISTER OF DEEDS
Barry V. Skipper, Director - Bally V. Skipper

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

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Executed effective June 30th, 2009.

Witnesses:

[Signature]
[Signature]

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: [Signature]
Name: Brent W. Hutto
Title: Vice President

STATE OF SOUTH CAROLINA)
)
COUNTY OF Horry)

Then personally appeared the above named Brent W. Hutto the vice-president of First Palmetto Savings Bank, F.S.B. ("Assignor"), and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Assignor, before me.

[Signature]
Notary Public for the State of South Carolina

My Commission Expires 10.31.13

Instrument#: 2009000071190, DEED BK: 3408 PG: 300 DOCTYPE: 111 06/30/2009 at 03:25:00 PM, 1 OF 2 BALLERY V. SKIPPER, HORRY COUNTY, SC REGISTRAR OF DEEDS

Columbia: 12211



A TRUE COPY, ATTEST
HORRY COUNTY REGISTRAR OF DEEDS
Ballery V. Skipper, Director

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)
COUNTY OF HORRY)

ASSIGNMENT OF MORTGAGE

First Palmetto Savings Bank, F.S.B. ("Assignor"), having an address of 407 DeKalb Street, Camden, South Carolina 29020, the holder of the mortgage (together with any amendments, renewals, extensions, or modifications thereto, the "Mortgage") and the assignment of leases and rents (together with any amendments, renewals, extensions, or modifications thereto, the "Assignment of Leases"), each dated January 14, 2005, from Americana Motel of Myrtle Beach, Inc., a/k/a Americana, Inc. in favor of Assignor, recorded with the Office of the Register of Deeds for Horry County, South Carolina in Book 3904 at Page 28 and Book 2849 at Page 193, respectively, hereby assigns the Mortgage and Assignment of Leases and any other related security instruments as described on Exhibit A attached hereto, and the notes and claims secured thereby, to Hotel & Motel Holdings, LLC, a South Carolina limited liability company ("Assignee") with an address of Jack Jones, c/o Morgan Lewis, C.P.A., 706 48th Avenue South, North Myrtle Beach, South Carolina 29582. This assignment is made without recourse, representations or warranties of any kind, express or implied

Executed effective June ~~30th~~ 2009.

[Signature]
Witnesses

[Signature]
Marcia J. Williams

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: *[Signature]*
Name: Brent W. Hutto
Title: Vice President

STATE OF SOUTH CAROLINA)
)
COUNTY OF Horry)

Then personally appeared the above named Brent W. Hutto the vice-president of First Palmetto Savings Bank, F.S.B. ("Assignor"), and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Assignor, before me.

[Signature]
Notary Public for the State of South Carolina

My Commission Expires 7/25/10

Instrument#: 2009000071191, MTG BK:
5183 PG: 3149 DOCTYPE: 008 06/30/2009
at 03:25:01 PM, 1 OF 2
BALLERY V. SKIPPER, HORRY COUNTY,
SC REGISTRAR OF DEEDS

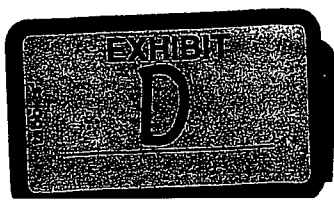


EXHIBIT A

The \$5,573,146.62 BJC Loan, which is evidenced, secured or guaranteed by the following 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
 - 2.1 Guaranty from Wendy J. Bellamy to Seller dated January 17, 2008.
 - 2.2 Guaranty from Harvey L. Jones to Seller dated January 17, 2008.
 - 2.3 Guaranty from Henry C. Coan III to Seller dated January 17, 2008.
3. Mortgages
 - 3.1 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.
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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



A TRUE COPY, ATTEST
HORRY COUNTY REGISTER OF DEEDS
BATTERY V. SKIPPER, Horry County, South Carolina

REL/Marcia/Hotel&MotelHoldings, LLC

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ASSIGNMENT OF MORTGAGE

First Palmetto Savings Bank, F.S.B. ("Assignor"), having an address of 407 DeKalb Street, Camden, South Carolina 29020, the holder of the mortgage (together with any amendments, renewals, extensions, or modifications thereto, the "Mortgage") and the assignment of leases and rents (together with any amendments, renewals, extensions, or modifications thereto, the "Assignment of Leases"), each dated January 14, 2005, from Americana Motel of Myrtle Beach, Inc., a/k/a Americana, Inc. in favor of Assignor, recorded with the Office of the Register of Deeds for Horry County, South Carolina in Book 3904 at Page 28 and Book 2849 at Page 193, respectively, hereby assigns the Mortgage and Assignment of Leases and any other related security instruments as described on Exhibit A attached hereto, and the notes and claims secured thereby, to Hotel & Motel Holdings, LLC, a South Carolina limited liability company ("Assignee") with an address of Jack Jones, c/o Morgan Lewis, C.P.A., 706 48th Avenue South, North Myrtle Beach, South Carolina 29582. This assignment is made without recourse, representations or warranties of any kind, express or implied

Executed effective June 30th 2009.

[Signature]
Witnesses

[Signature]
Marcia J. Williams

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: *[Signature]*
Name: Brent W. Hutto
Title: Vice President

STATE OF SOUTH CAROLINA)
)
COUNTY OF Horry)

Then personally appeared the above named Brent W. Hutto the vice-president of First Palmetto Savings Bank, F.S.B. ("Assignor"), and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Assignor, before me.

[Signature]
Notary Public for the State of South Carolina

My Commission Expires 7/25/10

Instrument#: 2009000071192, DEED BK:
3408 PG: 302 DOCTYPE: 111 06/30/2009 at
03:25:02 PM, 1 OF 2 BALLERY V.
SKIPPER, HORRY COUNTY, SC
REGISTRAR OF DEEDS

EXHIBIT A

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7. All other documents evidencing or securing the Loan

STATE OF SOUTH CAROLINA)
)
COUNTY OF HORRY)

ASSIGNMENT OF MORTGAGE

First Palmetto Savings Bank, F.S.B. ("Assignor"), having an address of 407 DeKalb Street, Camden, South Carolina 29020, the holder of the mortgage (together with any amendments, renewals, extensions, or modifications thereto, the "Mortgage") and the assignment of leases and rents (together with any amendments, renewals, extensions, or modifications thereto, the "Assignment of Leases"), each dated January 14, 2005, from Wendy J. Bellamy in favor of Assignor, recorded with the Office of the Register of Deeds for Horry County, South Carolina in Book 3904 at Page 20 and Book 2849 at Page 185, respectively, hereby assigns the Mortgage and Assignment of Leases and any other related security instruments as described on Exhibit A attached hereto, and the notes and claims secured thereby, to Hotel & Motel Holdings, LLC, a South Carolina limited liability company ("Assignee") with an address of Jack Jones, c/o Morgan Lewis, C.P.A., 706 48th Avenue South, North Myrtle Beach, South Carolina 29582. This assignment is made without recourse, representations or warranties of any kind, express or implied

Executed effective June 30th, 2009.

Witnesses:

[Signature]
[Signature]

FIRST PALMETTO SAVINGS BANK, F.S.B.

By: [Signature]
Name: Brent W. Hutto
Title: Vice President

STATE OF SOUTH CAROLINA)
)
COUNTY OF Horry)

Then personally appeared the above named Brent W. Hutto the Vice President of First Palmetto Savings Bank, F.S.B. ("Assignor"), and acknowledged the foregoing instrument to be his free act and deed and the free act and deed of Assignor, before me.

[Signature]
Notary Public for the State of South Carolina
My Commission Expires 10.31.17

Instrument#: 2009000071193, MTG BK:
5183 PG: 3151 DOCTYPE: 008 06/30/2009
at 03:25:03 PM, 1 OF 2
BALLERY V. SKIPPER, HORRY COUNTY,
SC REGISTRAR OF DEEDS

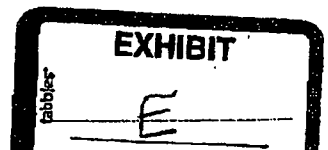


EXHIBIT A

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7. All other documents evidencing or securing the Loan



A TRIBE COME ATTENT
HORRY COUNTY REGISTRAR OF DEEDS
Ballery V. Skipper, Director — Ballery V. Skipper

EXHIBIT A

The \$5,573,146.62 BJC Loan, which is evidenced, secured or guaranteed by the following documents:

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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

COLLATERAL ASSIGNMENT OF NOTE,
MORTGAGE AND OTHER LOAN DOCUMENTS
(Mortgage Recorded in Book 3904 at page 8)

THIS ASSIGNMENT is effective as of the 30th day of June, 2009, by and from Hotel & Motel Holdings, LLC, a South Carolina limited liability company ("Assignor"), to First Palmetto Savings Bank, F.S.B., whose address is 407 DeKalb Street, Camden, South Carolina 29020 ("Assignee").

WHEREAS, Assignee has made a loan to Assignor in the principal amount of up to Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000) as evidenced by that certain Promissory Note from Assignor to Assignee dated of even date herewith (the "Note"); and

WHEREAS, Assignee has required Assignor to execute this Assignment to further secure the payment of the Note;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure payment by Assignor of the Note and all modifications, renewals and extensions thereof, to secure performance of all the documents and instruments which secure the Note (collectively, the "Loan Documents"), Assignor does hereby assign, transfer and convey to Assignee, its successors and assigns, all right, title and interest of Assignor in and to (i) the promissory note from BJC Enterprises, LLC ("Mortgagor") to Assignee dated January 17, 2008, in the principal amount of \$5,573,146.62 (the "Assigned BJC Note"), (ii) the Mortgage and Security Agreement from Mortgagor to Assignor, dated January 14, 2005, recorded in the Office of the Register of Deeds for Horry County, South Carolina in Book 3904 at page 8 (the "Assigned BJC Mortgage"), and (iii) all other documents listed in Exhibit A attached hereto and made a part hereof (the Assigned BJC Note, Assigned BJC Mortgage and all such other documents are collectively referred to herein as the "Assigned BJC Loan Documents"). (The aforesaid documents were sold and assigned by Assignee to Assignor immediately prior to this Collateral Assignment.) Simultaneously with the execution hereof, Assignor shall endorse and deliver to Assignee the Assigned BJC Note pursuant to an Allonge.

Assignor does hereby authorize and empower Assignee, upon the occurrence of an Event of Default (as defined in the Loan Documents), to exercise all the rights, powers and privileges conferred by the Assigned BJC Note, the Assigned BJC Mortgage and the other Assigned BJC Loan Documents in as full a manner as the Assignor was authorized and empowered to exercise them. Upon written notice by Assignee to Mortgagor of an Event of Default, the Mortgagor shall be authorized to make all further payments under the Assigned BJC Note directly to Assignee. Upon such Event of Default, Assignee also shall be entitled to enforce this Assignment and to exercise any and all rights and remedies available at law or in equity with respect to this Assignment, in such order, or cumulatively, as elected by Assignee in its sole discretion, including without limitation enforcement of the liens granted to Assignee in this Collateral Assignment.

Assignor warrants that it is the legal and equitable owner and holder of the Assigned BJC Loan Documents; that it has executed no prior transfer, assignment, conveyance or pledge of the Assigned BJC Loan Documents; that it has executed no release, discharge, satisfaction

Instrument#: 2009000071199, MTG BK:
5183 PG: 3159 DOCTYPE: 074 06/30/2009
at 03:25:09 PM, 1 OF 3
BALLERY V. SKIPPER, HORRY COUNTY.

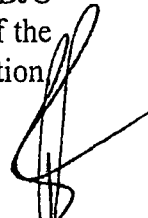


EXHIBIT A

The \$5,573,146.62 BJC Loan, which is evidenced, secured or guaranteed by the following documents:

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 - 2.1 Guaranty from Wendy J. Bellamy to Seller dated January 17, 2008.
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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.



COLLATERAL ASSIGNMENT OF NOTE,
MORTGAGE AND OTHER LOAN DOCUMENTS
(Mortgage Recorded in Book 3904 at page 28)

THIS ASSIGNMENT is effective as of the 30th day of June, 2009, by and from Hotel & Motel Holdings, LLC, a South Carolina limited liability company ("Assignor"), to First Palmetto Savings Bank, F.S.B., whose address is 407 DeKalb Street, Camden, South Carolina 29020 ("Assignee").

WHEREAS, Assignee has made a loan to Assignor in the principal amount of up to Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000) as evidenced by that certain Promissory Note from Assignor to Assignee dated of even date herewith (the "Note"); and

WHEREAS, Assignee has required Assignor to execute this Assignment to further secure the payment of the Note;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure payment by Assignor of the Note and all modifications, renewals and extensions thereof, to secure performance of all the documents and instruments which secure the Note (collectively, the "Loan Documents"), Assignor does hereby assign, transfer and convey to Assignee, its successors and assigns, all right, title and interest of Assignor in and to (i) the promissory note from BJC Enterprises, LLC ("Borrower") to Assignee dated January 17, 2008, in the principal amount of \$5,573,146.62 (the "Assigned BJC Note"), (ii) the Mortgage and Security Agreement from Americana Motel of Myrtle Beach, Inc., a/k/a Americana, Inc. ("Mortgagor") to Assignor, dated January 14, 2005, recorded in the Office of the Register of Deeds for Horry County, South Carolina in Book 3904 at page 8 (the "Assigned BJC Mortgage"), and (iii) all other documents listed in Exhibit A attached hereto and made a part hereof (the Assigned BJC Note, Assigned BJC Mortgage and all such other documents are collectively referred to herein as the "Assigned BJC Loan Documents"). (The aforesaid documents were sold and assigned by Assignee to Assignor immediately prior to this Collateral Assignment.) Simultaneously with the execution hereof, Assignor shall endorse and deliver to Assignee the Assigned BJC Note pursuant to an Allonge.

Assignor does hereby authorize and empower Assignee, upon the occurrence of an Event of Default (as defined in the Loan Documents), to exercise all the rights, powers and privileges conferred by the Assigned BJC Note, the Assigned BJC Mortgage and the other Assigned BJC Loan Documents in as full a manner as the Assignor was authorized and empowered to exercise them. Upon written notice by Assignee to Borrower of an Event of Default, the Borrower shall be authorized to make all further payments under the Assigned BJC Note directly to Assignee. Upon such Event of Default, Assignee also shall be entitled to enforce this Assignment and to exercise any and all rights and remedies available at law or in equity with respect to this Assignment, in such order, or cumulatively, as elected by Assignee in its sole discretion, including without limitation enforcement of the liens granted to Assignee in this Collateral Assignment.

Assignor warrants that it is the legal and equitable owner and holder of the Assigned BJC Loan Documents; that it has executed no prior transfer, assignment, conveyance or pledge of the

Instrument#: 2009000071197, MTG BK:
5183 PG: 3156 DOCTYPE: 074 06/30/2009
at 03:25:07 PM, 1 OF 3
BALLERY V. SKIPPER, HORRY COUNTY

Assigned BJC Loan Documents; that it has executed no release, discharge, satisfaction, termination or cancellation of the Assigned BJC Loan Documents; that it has executed no instrument of any kind affecting the Assigned BJC Loan Documents or the indebtedness evidenced or secured thereby or the liability of the maker thereof; and that it has full capacity and authority to execute this Assignment.

Upon payment in full by Assignor of all indebtedness evidenced by the Loan Documents and upon request by Assignor, Assignee will reassign to Assignor the Assigned BJC Loan Documents.

This Assignment is governed by and shall be construed in accordance with the laws of the State of South Carolina. This Assignment shall not be modified except by written agreement executed by both parties hereto.

IN WITNESS WHEREOF, the Assignor has executed this Assignment on the date first hereinabove written.

WITNESSES:

R. Lutz
Wanda J. Williams

ASSIGNOR:

HOTEL & MOTEL HOLDINGS, LLC

By: [Signature]
Name: Jack H. Jones
Title: Member

STATE OF SC)
COUNTY OF Horry)

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that Jack Jones, the member of Hotel & Motel Holdings, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Sworn to and subscribed before me this 10 day of June, 2009.

[Signature] (L.S.)
Notary Public, State of SC

EXHIBIT A

The \$5,573,146.62 BJC Loan, which is evidenced, secured or guaranteed by the following documents:

1. Promissory Note from BJC to Seller dated January 17, 2008 in the original principal amount of \$5,573,146.62.
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7. All other documents evidencing or securing the Loan



COLLATERAL ASSIGNMENT OF NOTE,
MORTGAGE AND OTHER LOAN DOCUMENTS
(Mortgage Recorded in Book 3904 at page 20)

THIS ASSIGNMENT is effective as of the 3rd day of June, 2009, by and from Hotel & Motel Holdings, LLC, a South Carolina limited liability company ("Assignor"), to First Palmetto Savings Bank, F.S.B., whose address is 407 DeKalb Street, Camden, South Carolina 29020 ("Assignee").

WHEREAS, Assignee has made a loan to Assignor in the principal amount of up to Four Million Seven Hundred Fifty Thousand Dollars (\$4,750,000) as evidenced by that certain Promissory Note from Assignor to Assignee dated of even date herewith (the "Note"); and

WHEREAS, Assignee has required Assignor to execute this Assignment to further secure the payment of the Note;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure payment by Assignor of the Note and all modifications, renewals and extensions thereof, to secure performance of all the documents and instruments which secure the Note (collectively, the "Loan Documents"), Assignor does hereby assign, transfer and convey to Assignee, its successors and assigns, all right, title and interest of Assignor in and to (i) the promissory note from BJC Enterprises, LLC ("Borrower") to Assignee dated January 17, 2008, in the principal amount of \$5,573,146.62 (the "Assigned BJC Note"), (ii) the Mortgage and Security Agreement from Wendy J. Bellamy ("Mortgagor") to Assignor, dated January 14, 2005, recorded in the Office of the Register of Deeds for Horry County, South Carolina in Book 3904 at page 8 (the "Assigned BJC Mortgage"), and (iii) all other documents listed in Exhibit A attached hereto and made a part hereof (the Assigned BJC Note, Assigned BJC Mortgage and all such other documents are collectively referred to herein as the "Assigned BJC Loan Documents"). (The aforesaid documents were sold and assigned by Assignee to Assignor immediately prior to this Collateral Assignment.) Simultaneously with the execution hereof, Assignor shall endorse and deliver to Assignee the Assigned BJC Note pursuant to an Allonge.

Assignor does hereby authorize and empower Assignee, upon the occurrence of an Event of Default (as defined in the Loan Documents), to exercise all the rights, powers and privileges conferred by the Assigned BJC Note, the Assigned BJC Mortgage and the other Assigned BJC Loan Documents in as full a manner as the Assignor was authorized and empowered to exercise them. Upon written notice by Assignee to Borrower of an Event of Default, the Borrower shall be authorized to make all further payments under the Assigned BJC Note directly to Assignee. Upon such Event of Default, Assignee also shall be entitled to enforce this Assignment and to exercise any and all rights and remedies available at law or in equity with respect to this Assignment, in such order, or cumulatively, as elected by Assignee in its sole discretion, including without limitation enforcement of the liens granted to Assignee in this Collateral Assignment.

Assignor warrants that it is the legal and equitable owner and holder of the Assigned BJC Loan Documents; that it has executed no prior transfer, assignment, conveyance or pledge of the

Instrument#: 2009000071195, MTG BK:
5183 PG: 3153 DOCTYPE: 074 06/30/2009
at 03:25:05 PM 1 OF 3
BALLERY V. SKIPPER, HORRY COUNTY

Assigned BJC Loan Documents; that it has executed no release, discharge, satisfaction, termination or cancellation of the Assigned BJC Loan Documents; that it has executed no instrument of any kind affecting the Assigned BJC Loan Documents or the indebtedness evidenced or secured thereby or the liability of the maker thereof; and that it has full capacity and authority to execute this Assignment.

Upon payment in full by Assignor of all indebtedness evidenced by the Loan Documents and upon request by Assignor, Assignee will reassign to Assignor the Assigned BJC Loan Documents.

This Assignment is governed by and shall be construed in accordance with the laws of the State of South Carolina. This Assignment shall not be modified except by written agreement executed by both parties hereto.

IN WITNESS WHEREOF, the Assignor has executed this Assignment on the date first hereinabove written.

WITNESSES:

ASSIGNOR:

R Lutz
Marcel S. Williams

HOTEL & MOTEL HOLDINGS, LLC

By: [Signature]
Name: Jack Jones
Title: Member

STATE OF South Carolina
COUNTY OF Horry

I, the undersigned Notary Public for the State of South Carolina, do hereby certify that Jack Jones, the Sole Member of Hotel & Motel Holdings, LLC, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Sworn to and subscribed before me this 30 day of June, 2009.

R Lutz (L.S.)
Notary Public, State of SC

EXHIBIT A

The \$5,573,146.62 BJC Loan, which is evidenced, secured or guaranteed by the following 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
 - 2.1 Guaranty from Wendy J. Bellamy to Seller dated January 17, 2008.
 - 2.2 Guaranty from Harvey L. Jones to Seller dated January 17, 2008.
 - 2.3 Guaranty from Henry C. Coan III to Seller dated January 17, 2008.
3. Mortgages
 - 3.1 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.
 - 3.2 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.
 - 3.3 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:
 - 4.1 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.
 - 4.2 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.
 - 4.3 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

This document was prepared by (name, address, phone number).

ASSIGNMENT OF LEASES AND RENTS

1. **DATE AND PARTIES.** The date of this Assignment of Leases and Rents (Assignment) is 06-30-2009. The parties and their addresses are:

ASSIGNOR: HOTEL & MOTEL HOLDINGS, LLC
3370 MT. PISGAH CEMETERY RD
CONWAY, SC 29526

Refer to the Addendum that is attached and incorporated herein for additional Assignors.


LENDER: FIRST PALMETTO SAVINGS BANK, FSB
ORGANIZED AND EXISTING UNDER THE LAWS OF THE UNITED STATES OF AMERICA
407 DEKALB STREET
CAMDEN, SC 29020

2. **ASSIGNMENT OF LEASES AND RENTS.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Assignor's performance under this Assignment, Assignor irrevocably assigns, grants, bargains, conveys and mortgages to Lender as additional security all the right, title and interest in the following (all referred to as Property).

A. Existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases).

B Rents, issues and profits (all referred to as Rents), including but not limited to security deposits, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance, guest receipts, revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights and claims which Assignor may have that in any way pertain to or are on account of the use or occupancy of the whole or any part of the Property.

C. The term Property as used in this Assignment shall include the following described real property:

 (page 1 of 7)

The Property is located in HORRY County at
SEE ATTACHED EXHIBIT "A" (Address, City, State,
ZIP Code).

In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement.

3. **MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Assignment at any one time will not exceed \$ 4,750,000.00. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Assignment. Also, this limitation does not apply to advances made under the terms of this Assignment to protect Lender's security and to perform any of the covenants contained in this Assignment. Interest under the Note will be deferred, accrued or capitalized; however, Lender will not be required to defer, accrue or capitalize any interest except as provided in the Note.
4. **SECURED DEBTS.** This Assignment will secure the following Secured Debts:
- A. **Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. (Include items such as borrowers' names, note amounts, interest rates, maturity dates, etc.)
- BORROWER: HOTEL & MOTEL HOLDINGS, LLC**
LOAN AMOUNT \$4,750,000.00
RATE: 5.00%
TERM: 60 MONTHS
- One or more of the debts secured by this Assignment contains a future advance provision.
- B. **All Debts.** All present and future debts from Assignor and _____

to Lender, even if this Assignment is not specifically referenced or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Assignment, each agrees that it will secure debts incurred either individually or with others who may not sign this Assignment. Nothing in this Assignment constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing. In the event that Lender fails to provide notice of the right of rescission, Lender waives any subsequent security interest in the Assignor's principal dwelling that is created by this Assignment. This Assignment will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Assignment will not secure any debt for which a security interest is created in "margin stock" and Lender does not obtain a "statement of purpose," as defined and required by federal law governing securities.

C. **Sums Advanced.** All sums advanced and expenses incurred by Lender under the terms of this Assignment.

5. **PAYMENTS.** Assignor agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Assignment.
6. **COLLECTION OF RENTS.** Assignor may collect, receive, enjoy and use the Rents so long as Assignor is not in default. Assignor will not collect in advance any Rents due in future lease periods, unless Assignor first obtains Lender's written consent. Upon default, Assignor will receive any Rents in trust for Lender and Assignor will not commingle the Rents with any other funds. When Lender so directs, Assignor will endorse and deliver any payments of Rents from the Property to Lender. Amounts collected will be applied at Lender's discretion to the Secured Debts, the costs of managing, protecting and preserving the Property, and other necessary expenses. Assignor agrees that this Assignment is immediately effective between Assignor and Lender and effective as to third parties on the recording of this Assignment.
7. **WARRANTIES AND REPRESENTATIONS.** To induce Lender to enter into the Loan, Assignor makes these representations and warranties for as long as this Assignment is in effect.
- A. **Power.** Assignor is duly organized, validly existing and in good standing under the laws in the jurisdiction where Assignor was organized and is duly qualified, validly existing and in good standing in all jurisdictions in which Assignor operates or Assignor owns or leases property. Assignor has the power and authority to enter into this transaction and to carry on Assignor's business or activity as now conducted.
- B. **Authority.** The execution, delivery and performance of this Assignment and the obligation evidenced by this Assignment: are within Assignor's duly authorized powers, has received all necessary governmental approval, will not violate any provision of law or order of court or governmental agency, and will not violate any agreement to which Assignor is a party or to which Assignor is or any of Assignor's property is subject.

- C. **Name and Place of Business.** Other than previously disclosed in writing to Lender, Assignor has not changed Assignor's name or principal place of business within the last ten years and has not used any other trade or fictitious name. Without Lender's prior written consent, Assignor does not and will not use any other name and will preserve Assignor's existing name, trade names and franchises.
- D. **Ownership or Lease of Property.** Assignor owns or leases all property that Assignor needs to conduct Assignor's business and activities. All of Assignor's property is free and clear of all liens, security interests, encumbrances and other adverse claims and interests, except those Lender previously agreed to in writing.
- E. **Compliance with Laws.** Assignor is not violating any laws, regulations, rules, orders, judgments or decrees applicable to Assignor or Assignor's property, except for those that Assignor is challenging in good faith through proper proceedings after providing adequate reserves to fully pay the claim and its challenge should Assignor lose.
- F. **Title.** Assignor has good title to the Leases, Rents and Property and the right to assign, grant, bargain, convey and mortgage to Lender as additional security the Leases and Rents, and no other person has any right in the Leases and Rents.
- G. **Recordation.** Assignor has recorded the Leases as required by law or as otherwise prudent for the type and use of the Property.
- H. **Default.** No default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Assignor, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Assignor or any party to the Lease defaults or fails to observe any applicable law, Assignor will promptly notify Lender.
- I. **Lease Modification.** Assignor has not sublet, modified, extended, canceled, or otherwise altered the Leases, or accepted the surrender of the Property covered by the Leases (unless the Leases so required).
- J. **Encumbrance.** Assignor has not assigned, compromised, subordinated or encumbered the Leases and Rents.
8. **COVENANTS.** Assignor agrees to the following covenants:
- A. **Rent Abatement and Insurance.** When any Lease provides for an abatement of Rents due to fire, flood or other casualty, Assignor will insure against this risk of loss with a policy satisfactory to Lender. Assignor may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld.
- B. **Copies of Leases.** Assignor will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed.
- C. **Right to Rents.** Immediately after the execution of this Assignment, Assignor will notify all current and future tenants and others obligated under the Leases of Lender's right to the Leases and Rents, and will request that they immediately pay all future Rents directly to Lender when Assignor or Lender asks them to do so.
- D. **Accounting.** When Lender requests, Assignor will provide to Lender an accounting of Rents, prepared in a form acceptable to Lender, subject to generally accepted accounting principles and certified by Assignor or Assignor's accountant to be current, accurate and complete as of the date requested by Lender.
- E. **Lease Modification.** Assignor will not sublet, modify, extend, cancel, or otherwise alter the Leases, or accept the surrender of the Property covered by the Leases (unless the Leases so required) without Lender's written consent.
- F. **Encumbrance.** Assignor will not assign, compromise, subordinate or encumber the Leases and Rents without Lender's prior written consent.
- G. **Future Leases.** Assignor will not enter into any future Leases without prior written consent from Lender. Assignor will execute and deliver such further assurances and assignments as to these future Leases as Lender requires from time to time.
- H. **Personal Property.** Assignor will not sell or remove any personal property on the Property, unless Assignor replaces this personal property with like kind for the same or better value.
- I. **Prosecution and Defense of Claims.** Assignor will appear in and prosecute its claims or defend its title to the Leases and Rents against any claims that would impair Assignor's interest under this Assignment and, on Lender's request, Assignor will also appear in any action or proceeding on behalf of Lender. Assignor agrees to assign to Lender, as requested by Lender, any right, claims or defenses which Assignor may have against parties who supply labor or materials to improve or maintain the leaseholds subject to the Leases and/or the Property.
- J. **Liability and Indemnification.** Lender does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages when Lender acts to manage, protect or preserve the Property, except for losses or damages due to Lender's gross negligence or intentional torts to the extent permitted by law. Otherwise, Assignor will indemnify Lender and hold Lender harmless for all liability, loss or damage that Lender may incur when Lender opts to exercise any of its remedies against any party obligated under the Leases.
- K. **Leasehold Estate.** Assignor will not cause or permit the leasehold estate under the Leases to merge with Assignor's reversionary interest, and agrees that the Leases shall remain in full force and effect regardless of any merger of the Assignor's interests and of any merger of the interests of Assignor and any party obligated under the Leases.
- L. **Insolvency.** Lender will be the creditor of each tenant and of anyone else obligated under the Leases who is subject to an assignment for the benefit of creditors, an insolvency, a dissolution or a receivership proceeding, or a bankruptcy.

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9. **TRANSFER OF AN INTEREST IN THE ASSIGNOR.** If Assignor is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:
- A. A beneficial interest in Assignor is sold or transferred.
 - B. There is a change in either the identity or number of members of a partnership or similar entity.
 - C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.
- However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Assignment.
10. **DEFAULT.** Assignor will be in default if any of the following occur with regard to the Secured Debts that are secured by this Assignment:
- A. **Payments.** Assignor fails to make a payment in full when due.
 - B. **Insolvency or Bankruptcy.** Assignor makes an assignment for the benefit of creditors or becomes insolvent, either because Assignor's liabilities exceed Assignor's assets or Assignor is unable to pay Assignor's debts as they become due; or Assignor petitions for protection under federal, state or local bankruptcy, insolvency or debtor relief laws, or is the subject of a petition or action under such laws and fails to have the petition or action dismissed within a reasonable period of time not to exceed 60 days.
 - C. **Death or Incompetency.** If Assignor is an individual, Assignor dies or is declared legally incompetent.
 - D. **Business Termination.** If Assignor is not an individual, Assignor merges, dissolves, reorganizes or ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.
 - E. **Failure to Perform.** Assignor fails to perform any condition or to keep any promise or covenant of this Assignment, any other document evidencing or pertaining to the Loan, or any other debt or agreement Assignor has with Lender.
 - F. **Misrepresentation.** Assignor makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
 - G. **Property Transfer.** Assignor transfers all or a substantial part of Assignor's money or property.
 - H. **Property Value.** The value of the Property declines or is impaired.
 - I. **Name Change.** Assignor changes Assignor's name or assumes an additional name without notifying Lender before making such a change.
 - J. **Material Change.** Without first notifying Lender, there is a material change in Assignor's business, including ownership, management, and financial conditions.
 - K. **Insecurity.** Lender reasonably believes that Lender is insecure.
11. **REMEDIES.** After Assignor defaults, and after Lender gives any legally required notice and opportunity to cure the default, Lender may at Lender's option do any one or more of the following:
- A. **Acceleration.** Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due.
 - B. **Additional Security.** Lender may demand additional security or additional parties to be obligated to pay the Secured Debts.
 - C. **Sources.** Lender may use any and all remedies Lender has under the state law where the Property is located or federal law or in any instrument evidencing or pertaining to the Secured Debts.
 - D. **Insurance Benefits.** Lender may make a claim for any and all insurance benefits or refunds that may be available on Assignor's default.
 - E. **Payments Made On Assignor's Behalf.** Amounts advanced on Assignor's behalf will be immediately due and may be added to the Secured Debts.
 - F. **Rents.** Lender may terminate Assignor's right to collect Rents and directly collect and retain Rents in Lender's name without taking possession of the Property and to demand, collect, receive, and sue for the Rents, giving proper receipts and releases. In addition, after deducting all reasonable expenses of collection from any collected and retained Rents, Lender may apply the balance as provided for by the Secured Debts.
 - G. **Entry.** Lender may enter, take possession, manage and operate all or any part of the Property; make, modify, enforce or cancel or accept the surrender of any Leases; obtain or evict any tenants and licensees; increase or reduce Rents; decorate, clean and make repairs or do any other act or incur any other cost Lender deems proper to protect the Property as fully as Assignor could do. Any funds collected from the operation of the Property may be applied in such order as Lender may deem proper, including, but not limited to, payment of the following: operating expenses, management, brokerage, attorneys' and accountants' fees, the Secured Debts, and toward the maintenance of reserves for repair or replacement. Lender may take such action without regard to the adequacy of the security, with or without any action or proceeding, through any person or agent, or receiver to be appointed by a court, and irrespective of Assignor's possession. The collection and application of the Rents or the entry upon and taking possession of the Property as set out in this section shall not cure or waive any notice of default under the Secured Debts, this Assignment, or invalidate any act pursuant to such notice. The enforcement of such remedy by Lender, once exercised, shall continue for so long as Lender shall elect, notwithstanding that such collection and application of Rents may have cured the original default.

H. Waiver. Except as otherwise required by law, by choosing any one or more of these remedies you do not give up any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

12. **APPOINTMENT OF A RECEIVER.** On or after an Assignor's default, Assignor agrees to Lender making an application to the court for an appointment of a receiver for the benefit of Lender to take possession of the Property and the Leases, with the power to receive, collect and apply the Rents. Any Rents collected will be applied as the court authorizes to pay taxes, to provide insurance, to make repairs and to pay costs or any other expenses relating to the Property, the Leases and Rents, and any remaining sums shall be applied to the Secured Debts. Assignor agrees that this appointment of a receiver may be without giving bond, without reference to the then-existing value of the Property, and without regard to the insolvency of any person liable for any of the Secured Debts.

13. **COLLECTION EXPENSES AND ATTORNEYS' FEES.** To the extent permitted by law, Assignor agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Assignment. Unless the applicable law that governs this Assignment is North Dakota, expenses include, but are not limited to, reasonable attorneys' fees, court costs and other legal expenses. These expenses are due and payable immediately. These expenses will bear interest from the date of payment until paid in full at the contract interest rate then in effect for the Loan. To the extent permitted by the United States Bankruptcy Code, Assignor agrees to pay the reasonable attorneys' fees Lender incurs to collect this Assignment as awarded by any court exercising jurisdiction under the Bankruptcy Code.

14. **ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA, 42 U.S.C. 9601 et seq.), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste," "hazardous substance," or "regulated substances" under any Environmental Law.

Assignor represents, warrants and agrees that

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- B. Except as previously disclosed and acknowledged in writing to Lender, Assignor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.
- C. Assignor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Assignor will take all necessary remedial action in accordance with Environmental Law.
- D. Except as previously disclosed and acknowledged in writing to Lender, Assignor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property, or (2) any violation by Assignor or any tenant of any Environmental Law. Assignor will immediately notify Lender in writing as soon as Assignor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- E. Except as previously disclosed and acknowledged in writing to Lender, Assignor and every tenant have been, are and will remain in full compliance with any applicable Environmental Law.
- F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
- G. Assignor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.
- H. Assignor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Assignor and any tenant are in compliance with applicable Environmental Law.

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- I. Upon Lender's request and at any time, Assignor agrees, at Assignor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.
- J. Lender has the right, but not the obligation, to perform any of Assignor's obligations under this section at Assignor's expense.
- K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Assignor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses to the extent permitted by law, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Assignment and in return Assignor will provide Lender with collateral of at least equal value to the Property secured by this Assignment without prejudice to any of Lender's rights under this Assignment.
- L. Notwithstanding any of the language contained in this Assignment to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Assignment regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.
15. **TERM.** This Assignment will remain in full force and effect until the Secured Debts are paid or otherwise discharged and Lender is no longer obligated to advance funds under any loan or credit agreement which is a part of the Secured Debts. If any or all payments of the Secured Debts are subsequently invalidated, declared void or voidable, or set aside and are required to be repaid to a trustee, custodian, receiver or any other party under any bankruptcy act or other state or federal law, then the Secured Debts will be revived and will continue in full force and effect as if this payment had not been made.
16. **CO-SIGNERS.** If Assignor signs this Assignment but does not sign the Secured Debts, Assignor does so only to assign Assignor's interest in the Property to secure payment of the Secured Debts and Assignor does not agree to be personally liable on the Secured Debts. If this Assignment secures a guaranty between Lender and Assignor, Assignor agrees to waive any rights that may prevent Lender from bringing any action or claim against Assignor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.
17. **WAIVERS.** Except to the extent prohibited by law, Assignor waives all homestead exemption rights relating to the Property.
18. **U.C.C. PROVISIONS.**
- Construction Loan.** This Assignment secures an obligation incurred for the construction of an improvement on the Property.
19. **OTHER TERMS.** If checked, the following are applicable to this Assignment:
- Line of Credit.** The Secured Debts include a revolving line of credit provision. Although the Secured Debts may be reduced to a zero balance, this Assignment will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.
- Additional Terms.**
20. **APPLICABLE LAW.** This Assignment is governed by the laws of South Carolina, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.
21. **JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** Each Assignor's obligations under this Assignment are independent of the obligations of any other Assignor. Lender may sue each Assignor individually or together with any other Assignor. Lender may release any part of the Property and Assignor will still be obligated under this Assignment for the remaining Property. The duties and benefits of this Assignment will bind and benefit the successors and assigns of Lender and Assignor.
22. **AMENDMENT, INTEGRATION AND SEVERABILITY.** This Assignment may not be amended or modified by oral agreement. No amendment or modification of this Assignment is effective unless made in writing and executed by Assignor and Lender. This Assignment is the complete and final expression of the agreement. If any provision of this

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Assignment is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

23. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Assignment.

24. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail and by registered or certified mail, return receipt requested, to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Assignor will inform Lender in writing of any change in Assignor's name, address or other application information. Assignor will provide Lender any financial statements or information Lender requests. All financial statements and information Assignor gives Lender will be correct and complete. Assignor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Assignor's obligations under this Assignment and to confirm Lender's lien status on any Property. Time is of the essence.

25. SIGNATURES. By signing under seal, Assignor agrees to the terms and covenants contained in this Assignment. Assignor also acknowledges receipt of a copy of this Assignment.

HOTEL & MOTEL HOLDINGS, LLC
(Entity Name)

[Signature] (Seal)
(Signature) JACK V. JONES, SOLE MEMBER

(Seal) (Signature)

Signed, sealed and delivered in the presence of

[Signature]
(Witness)

[Signature]
(Witness)

PROBATE:

STATE OF SOUTH CAROLINA COUNTY OF _____ } ss.

Personally appeared before me the undersigned witness who, being duly sworn, deposed and said that (s)he saw the Assignor (and each Assignor if more than one) sign, seal and deliver the foregoing Assignment and that (s)he, together with the other witness whose name appears as a witness, witnessed the execution thereof.

Sworn to and subscribed before me this 30TH day
of JUNE, 2008

[Signature] (Seal)
Notary Public for South Carolina

[Signature]
(Seal)

My commission expires 7/25/13

EXHIBIT "A"

Property 1 (Emerald Shores Motel)

TMS# 181-11-01-002

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.

These lots are also shown on map made by Stanley H. Wright, dated June 1926 and recorded in the office of the ROD for Horry County in Plat Book 1 at Page 84.

For a more accurate and complete description of these lots of land reference is made to a map thereof, showing the location of improvements thereon, made for the grantors herein and George Simon by Robert L. Bellamy C. E., dated March 24, 1964, and recorded April 10, 1964, in Plat Book 40 at Page 14.

Property 2 (Emerald Shores Motel)

TMS#181-11-01-001

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.C. 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.

Property 3 (Emerald Shores Motel)

TMS#181-11-01-001

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 Number 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 116, to which reference is craved as forming a part of these presents.

Less and excepting 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.

Property 4 (Parking Lot)
TMS#181-10-10-007

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.

These being the identical properties conveyed to the Mortgagor herein by Deed from James C. Journey, dated January 13, 2005 and recorded January 19, 2005 in Deed Book 2849 at Page 171 and by Deed from James C. Journey, as Trustee of the Madeline M. Journey Revocable Trust, dated January 13, 2005 and recorded January 19, 2005 in Deed Book 2849 at Page 167, records of the office of the Register of Deeds for Horry County, South Carolina.

Property 5 (Lot 14 Block 21)
TMS#181-10-10-016

ALL THAT certain piece, parcel or lot of land with the improvements thereon, situate, lying and being in the City of Myrtle Beach, Dogwood Neck Township, Horry County, South Carolina, and being Lot Fourteen (14) of Block Twenty-One (21), of the Hotel Section of Myrtle Beach, on a map of said Section made by N.C. Hughes, Jr., Engineer, in November 1933, and recorded in the Office of the Register of Deeds for Horry County, South Carolina in Plat Book 1 at Page Book 116

This being the identical property conveyed to the Mortgagor herein by Deed from Estate of Wendell E. Jones, Jr., dated July 22, 2002 and recorded July 23, 2002 in Deed Book 2501 at Page 1435, records of the Office of the Register of Deeds for Horry County, South Carolina.

Property 6 (Rainbow Court Motel)
Portion of TMS#181-10-10-005

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 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.

This being a portion of the properties conveyed to the Mortgagor herein by Deed from Harvey C. Jones and Lila M. Bagnal, dated September 3, 1968 and recorded May 22, 1969 in Deed Book 409 at Page 224, records of the Office of the Register of Deeds for Horry County, South Carolina.

Property 7 (Rainbow Court Motel)
Portion of TMS#181-10-10-005

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 meets 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 a stake on the Southwest line of Fifth Avenue; thence along the said Southwest line Fifth Avenue South 51 deg 28 min. East fifty-seven and five-tenths (57.5) feet to the place of beginning.

This being the identical property conveyed to the Mortgagor herein by Deed from Winston W. Vaught as Master, dated May 8, 1972 and recorded May 8, 1972 in Deed Book 469 at Page 270, records of the Office of the Register of Deeds for Horry County, South Carolina.

Property 8 (Triplex, Lot 18 Block 21)
TMS#181-10-10-003

All and singular, all that certain piece, parcel or lot 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 lot 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 and Plat Book 1 at Page 116.

This being a portion of the properties conveyed to the Mortgagor herein by Deed from Harvey C. Jones and Lila M. Bagnal, dated September 3, 1968 and recorded May 22, 1969 in Deed Book 409 at Page 224, records of the Office of the Register of Deeds for Horry County, South Carolina.

Property 9 (Lot 17 Block 21)
TMS#181-10-10-002

ALL AND SINGULAR, that certain piece, parcel or lot of land, situated, lying and being in the Town of Myrtle Beach, Dogwood Neck Township, Horry County, South Carolina, and being Lot Seventeen (17) of Block Twenty-One (21) of the Hotel Section, as shown on map of Myrtle Beach made by N.C. Hughes, C.E. dated November 1933 recorded in the Office of the Clerk of Court for Horry County in Plat Book 1 at Page 116, to which plat reference is craved as forming a part of these presents; this being the lot referred to as Parcel Five (5) in deed from H L. Buck, Jr. to E. E. Burroughs, dated May 21, 1951 recorded in Book 93 at Page 64, RMC for Horry County.

This being the identical property conveyed to the Mortgagor herein by Deed from Charles A. Fanshaw, dated February 19, 1993 and recorded February 19, 1993 in Deed Book 1615 at Page 718, records of the Office of the Register of Deeds for Horry County, South Carolina.

Property 10 (Lot 16 Block 21)
TMS#181-10-10-001

ALL AND SINGULAR, all that certain piece, parcel or lot of land, situate, lying and being in Myrtle Beach, Dogwood Neck Township, Horry County, South Carolina, being Lot Sixteen (16), Block Twenty-One (21) of the Hotel Section of Myrtle Beach as shown on that map or plat by N.C. Hughes, Jr., Engineer. A copy of said map is recorded in Plat Book 1 at Page 116, Office of the R.M.C. for Horry County and is by reference incorporated herein as forming a part and parcel of this description.

This being the identical property conveyed to the Mortgagor herein by Deed from Lucille I. Mull Trust, dated December 19, 2001 and recorded December 21, 2001 in Deed Book 2437 at Page 800, records of the Office of the Register of Deeds for Horry County, South Carolina.

Property 11 (Lot 3 Block 21)
Portion of TMS#181-10-10-005

All and singular, all that certain piece, parcel or lot of land, with the improvements thereon, situate, lying and being in the City of Myrtle Beach, Dogwood Neck Township, Horry County, South Carolina, being more particularly shown and designated as Lot No. Three (3) of Block Twenty- One (21), of the Hotel Section of Myrtle Beach, on a map of the said section made under the supervision of Stanley H. Wright, Engineer, dated June and July 1926, and recorded in the Office of the Clerk of Court for Horry County, South Carolina, in Plat Book I, at Page 84, reference to which is craved as forming a part of these presents.

This being the identical property conveyed to the Mortgagor herein by Deed from Lila McCall Bagnol, dated September 10, 1973 and recorded September 10, 1973 in Deed Book 498 at Page 858, records of the Office of the Register of Deeds for Horry County, South Carolina.

Property 12 (Lot 6 Block 28 & ½ of Lot 7 & 8 & Part of Lot 9)
TMS#181-10-07-010 & 011

ALL AND SINGULAR, that certain piece, parcel or lot of land lying and being in the Town of Myrtle Beach, County and State aforesaid, and being Lot No. 6 of Block -28- of the Hotel Section, and beginning at a stake corner on the Northwestern side of Chester Street, which is the Northeastern corner of the lot herein described, and runs North 51 deg. and 28 min. west 240 feet to a stake on the rear line of Lot No. 14 of said block; thence South 38 deg. and 32 min. west along the rear line of Lots No. 13 and No. 14, 60 feet to a stake; thence South 51 deg. and 28 min. east 240 feet to a stake on the Northwestern side of Chester Street; thence North 38 deg. and 32 min East with Chester Street 60 feet to the point of beginning.

ALSO

All that certain piece, or lot of land, situate and being in the State of South Carolina, County of Horry, known and designated as one-half (½) of Lots Seven (7) and Eight (8) of block Twenty-Eight (28) in the Hotel Section; a subdivision of the property of Myrtle Beach according to a plat made under the direction of Stanley H. Wright, consulting engineer, in June 1926, reference to said plat is hereby made. The said lot of land being more particularly described by metes and bounds as follows: Beginning at a stake on Chester Street at the Northeast corner of lot seven (7) of said Block Twenty-Eight (28) and running thence North 51 deg. 27 min 45 sec. west, one hundred and twenty (120) feet to a stake on the line between lots eight (8) and nine (9) of said block thence South 38 deg. 32 min. 15 sec. west along the dividing line between lots (8) and nine (9), seventy-five (75) feet to a stake, thence South 51 deg. 27 min 45 sec. east, one hundred twenty (120) feet to a stake on Chester Street, and thence along Chester Street seventy-five (75) feet to the beginning corner, and being one-half (½) of Lots Number seven (7) and eight (8) mentioned above.

ALSO

All that certain piece of land, situated in the Town of Myrtle Beach, State and County aforesaid, beginning at the North East corner of lot 9, block 28, Hotel Section, and extending sixty feet along the Cherry and Buck line to the North West corner, extending twenty-five feet along the Cherry and Bartholomew line to a South West corner, extending sixty feet to a South East corner and extending twenty-five feet along Cherry and Stackhouse line to the North East

corner. The above description being twenty five feet by sixty feet, a part of lot 9, block 28, Hotel Section.

ALSO

The certain right of way connecting the property herein described with Fourth Avenue as shown on the aforesaid plat. This right-of-way is private way for ingress and egress and is ten 10 feet in width, lying along the boundary line between Lots 8 & 9 of block 28, and being more particularly described as follows: Beginning at the corner of lots 8 and 9 on Fourth Avenue and running thence North 38 deg. 32 min. 15 sec. East along the dividing line of these lots a distance of seventy-five (75) feet to the Northwest corner of the property conveyed to the grantee by deed of Elizabeth G. Stackhouse recorded in the Office of the RMC for Horry County in Deed Book 894 at Page 508; thence running South 51 deg. 27 min. 45 sec. East ten (10) feet along the Western boundary line of the property therein conveyed; thence running South 39 deg. 32 min. 15 sec.; West parallel with the dividing line between Lot 8 and 9, and a distance of ten (10) feet therefrom, for seventy-five (75) feet to Fourth Avenue; thence along the edge of Fourth Avenue ten (10) feet to the beginning corner.

This being the identical property conveyed to the Mortgagor herein by Deed from Sara Alice Beverly, dated April 7, 1999 and recorded April 7, 1999 in Deed Book 2133 at Page 850, records of the Office of the Register of Deeds for Horry County, South Carolina.

Property 13 (Lot 1 Block 21)

TMS#181-10-10-004

All AND SINGULAR, 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 at Lot One (1) Block Twenty-One (21) according to 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 Office of the Clerk of Court 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 meets and bounds as follows; to wit:

Beginning at a stake at the Northeast corner of Lot 1 of said Block 21, which place of beginning is the intersection of the Southeast line of Chester Street with the Southwest line of Fifth Avenue, and running thence South 51 degrees 28 min. East along said Southwest line of Fifth Avenue 57.5 feet to a stake at the corner of Lot 2; thence South 38 degrees 32 Min. West along dividing line Between Lots 1 and 2, 150 feet to a stake on the Northeast line of Lot 18, 57.5 feet to a stake on the Southeast line of Chester Street; thence along said Southeast line of Chester Street North 38 degrees 32 min. East 150 feet to the place of beginning.

This being the identical property conveyed to the Mortgagor herein by Deed from Evelyn Petros Pharr, dated October 4, 1983 and recorded October 4, 1983 in Deed Book 824 at Page 408, records of the Office of the Register of Deeds for Horry County, South Carolina.

Parcel 14 (Lot 2 Block 21)
Portion of TMS#181-10-10-005

All and singular that certain piece, parcel or lot of land situate, lying and being at Myrtle Beach, South Carolina, Dogwood Neck Township, County and State aforesaid and being Lot Two (2) of Block Twenty-One (21) as shown on map of Myrtle Beach, Hotel Section, as made by N. C. Hughes, Jr., Engineer, dated November 1933, and recorded in the Office of the Clerk of Court for Horry County, in Plat Book 1, at Page 116, to which Plat, reference is craved as forming a part of these presents. The same being conveyed to C. M. Wright by the Myrtle Beach Farms Company, a corporation, by their deed dated October 5, 1934, and recorded October 18, 1934 in Book C-4 at Page 433.

This being the identical property conveyed to the Mortgagor herein by Deed from David L. Leventer, dated October 20, 1972 and recorded January 10, 1973 in Deed Book 483 at Page 548, records of the Office of the Register of Deeds for Horry County, South Carolina.



CASHIER'S CHECK

HORRY COUNTY
STATE BANK

Date 6/30/09

110856

RAMPTON JACKSON TONES

Branch 5000

PAY
TO THE
ORDER OF

EXACTLY \$250,000 AND 00/100 DOLLARS

\$250,000.00

FIRST PALMETTO BANK

THIS IS TO CERTIFY THAT FIRST PALMETTO SAVINGS BANK, FSB IS
IN RECEIPT OF THIS CASHIER'S CHECK IN THE AMOUNT OF
\$250,000.00, THIS 30TH DAY OF JUNE, 2009.

BY:

SAMUEL R. SMALL, JR. GENERAL COUNSEL

Hotel & Motel Holdings, LLC
P.O. Box 1649
Conway, SC 29328

Recap of Deposits and Disbursements - Year Ended 12/31/10

Check #	Date	Vendor / Deposit	Description	Amount Paid	Amount of Deposit	Cleared
	1/1/2010	Carry over Balance from 2009			6,367.66	X
1001	1/28/2010	Turner, Padgett, Graham & Laney, PA		3,571.57		X
	2/23/2010	(Deposit \$18,000.00 from Donald Godwin)			18,000.00	X
1002	2/23/2010	Turner, Padgett, Graham & Laney, PA		15,776.62		X
1003	2/23/2010	Domain Registry of America		60.00		X
	6/24/2010	(Deposit \$20,691.08 Reimbursement for attorney fees-First Palmetto Savings)			20,691.08	X
1004	9/24/2010	Donald Godwin		20,691.08		X
1005	10/20/2010	Al Allen for County Council		250.00		
				40,139.25	46,058.62	
			Cash in Bank			4,919.37

DEPOSITION
EXHIBIT

12-9-09
A-2-10

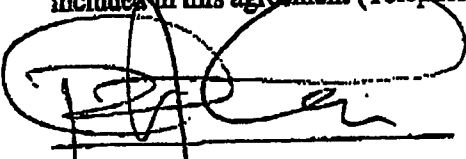
**AGREEMENT between Bhupendra Patel, Patel Management
on behalf of Americana Corporation (d/b/a Rainbow Court),
Mary Jones, Tina Corley and Lory Griffin**

RE:

Mary Jones, occupant of 404 Chester Street (Main House), Myrtle Beach, SC 29577
Tina Corley, occupant of 404 Chester Street, Unit #1, Myrtle Beach, SC 29577
Lory Griffin ("Jerry Griffin"), occupant of 404 Chester Street, Unit #2, Myrtle Beach, SC 29577

This is an Agreement between Patel Management on behalf of Americana Corporation (d/b/a Rainbow Court) and Mary Jones, Tina Corley and Lory Griffin ("Jerry Griffin").

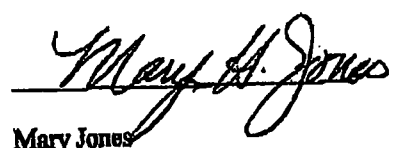
This Agreement, set forth on December 9, 2009 for \$10.00 paid and good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, entails that Mary Jones, Tina Corley, and Lory Griffin ("Jerry Griffin") who reside at the above referenced units, reside at said properties with my permission at no monetary cost to them for the year of 2010. Rent and utilities including water, gas, electric, basic cable and internet (Road Runner) are included in this agreement (Telephone is excluded).



Bupendra Patel, Patel Management
Management for Americana Corporation (d/b/a Rainbow Court)

12.9.09

Date



Mary Jones

12-9-09

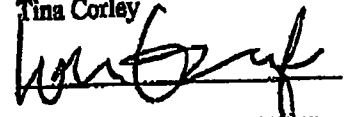
Date



Tina Corley

December 9, 2009

Date



Lory Griffin ("Jerry Griffin")

12-9-09

Date

TC
LG

Robert L. Jones
WITNESS *Robert L. Jones*
Wilbur Jones (Signature)
Witness *Wilbur Jones*

12/9/09
Date

STATE OF SOUTH CAROLINA
COUNTY OF HORRY

BEFORE ME personally appeared Bhupendra Patel, Mary Jones, Tina Corley, Lory Griffin. And Wilbur Jones acting as Witness, to me well known to be the persons described in and who executed the foregoing instrument, and acknowledged to and before me that he/she executed said instrument for the purposes therein expressed.

WITNESS my hand and official seal this 9th day of DECEMBER, 2009.

[Signature]
NOTARY PUBLIC
K. S. Johnston
NOTARY PUBLIC
State of South Carolina
My Commission Expires: 04/02/2018

mg (FC) (LG)

TURNER PADGET

TURNER PADGET GRAHAM & LANEY P.A.

DEPOSITION
EXHIBIT

7-2-10 JBM

CHARLESTON
COLUMBIA
FLORENCE
GREENVILLE
MYRTLE BEACH

Audra M. Byrd

REPLY TO:

E-Mail: AByrd@TurnerPadget.com
Writer's Direct Dial: (843) 213-5520
Direct Fax: (843) 213-5620

December 18, 2009

Kathryn M. Cook, Esquire
Post Office Box 4086
North Myrtle Beach, SC 29597

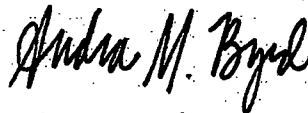
Re: **Hotel & Motel Holdings, LLC v. BCJ Enterprises, LLC et al.**
Civil Action Number: 2009-CP-26-5743
Our File Number: 10338.00101

Dear Kiff:

As you know, we have withdrawn our motion for the appointment of a receiver in the above matter. Therefore, the management agreement between BJC Enterprises, LLC and Patel Management, LLC remains in full force and effect, and the rights and obligations of the parties have not changed with regard to our filing. We have copied Mr. Bhupendra Patel on this correspondence to ensure that he is aware of the status of our motion, as well as our position on this matter. We trust that Ms. Bellamy will do nothing to interfere with the proper management of the properties or to otherwise violate her contractual or fiduciary obligations.

Sincerely,

TURNER, PADGET, GRAHAM & LANEY, P.A.



Audra M. Byrd

AMB: mmb

cc: Susan Pardue MacDonald, Esquire
Scott B. Umstead, Esquire
John K. Dubose, III, Esquire
Mr. Bhupendra Patel

RECEIVED
DEC 21 2009
TPGL 3033305v1